City and County of San Francisco
Meeting Minutes
Finance Committee

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, March 07, 2001 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 10:10 a.m.

010276 **[Appropriation, funding various streets and roads rehabilitation project]**

Mayor, Supervisor Newsom

Ordinance appropriating $9,021,349 to fund various local streets and roads rehabilitation projects for the Department of Public Works for fiscal year 2000-01.

(Fiscal impact.)

2/12/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Theresa Burke, Transportation Finance Analyst, Department of Public Works; Susan Ferreyra, Disability Access Coordinator, Department of Public Works; Walter Park, Mayor's Office on Disability; Female Speaker; Bruce Allison; Gloria Williams.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010221 **[Establishing monthly contributions to Health Service System by the City and County, Unified School District, and Community College]**

Resolution establishing monthly contribution amount to Health Service Trust Fund. (Human Resources Department)

2/2/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Bart Duncan, Deputy Director of Human Resources, Health Service System.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010315 **[Appropriation, funding for the emergency physician services to indigent persons]**

Supervisors Leno, Newsom

Ordinance appropriating $1,203,219 of Emergency Medical Services Appropriation (EMSA) funds to provide emergency physician services to indigent persons to the Department of Public Health for fiscal year 2000-01. (Public Health Department)

(Fiscal impact.)

2/14/01, RECEIVED AND ASSIGNED to Finance Committee.

2/20/01, SUBSTITUTED. Supervisor Leno submitted a substitute ordinance bearing same title This substitute corrects a minor math error in the supplemental.

2/20/01, ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Chief Financial Officer, Department of Public Health; Jeffrey Leong, Department of Public Health

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

002187 **[Contract between the Dept. of Public Health and Health Advocates, LLP to provide uncompensated care recovery services]**

Resolution authorizing the Director of Public Health and the Purchaser to execute a contract between the City and County of San Francisco and Health Advocates, LLP to provide uncompensated care recovery services. (Public Health Department)

12/13/00, RECEIVED AND ASSIGNED to Public Health and Environment Committee.

12/28/00, TRANSFERRED to Finance and Labor Committee. At the request of the President, this matter is to be scheduled for the January 10, 2001 meeting.

1/17/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Chief Financial Officer, Department of Public Health; Steve Reid, President, Paralign; Diane Sovereign (attorney); Linda Safir, Director of Sales, Paralign; Karla Fine, Manager, Paralign; Fanny Mayorga, Paralign; Juan Sosa, Paralign; Helen Lim, Paralign; Robert McCarthy (registered to speak for Paralign); Al Leibovic, Health Advocates; Theodore Lakey, Deputy City Attorney; Edward Harrington, Controller
Continued to January 31, 2001.

1/31/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Chief Financial Officer, Department of Public Health.
Continued to February 7, 2001.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

2/7/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Chief Financial Officer, Department of Public Health; Virginia Harmon, Interim Director, Human Rights Commission, Diana Rivera, Head of Patient Accounting, San Francisco General Hospital, Department of Public Health; Cheryl Bregman, Deputy City Attorney; Steve Reid, President, Paralign; Al Leibovic, Managing Partner, Health Advocates; Linda Safir, Director of Sales, Paralign, Karla Fine, Manager, Paralign; Jose Martinez, Account Director, Paralign; Fanny Mayorga, Supervisor, Paralign; Luvi Bone, Paralign; Beatrice Gonzalez, Paralign; Patricia Putynkowski, Paralign; Juan Sosa, Paralign; Rafael Arteagia, Paralign; Helen Lim, Paralign; Diane Sovereign, Attorney, representing Paralign; Lock Holmes, Attorney, representing Paralign; Robert McCarthy, representing Paralign.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Chief Financial Officer, Department of Public Health; Lock Holmes, Paralign; Robert McCarthy, representing Paralign; Al Leibovic, Health Advocates.

Amended on lines 15 and 16, by replacing "of March 1, 2001" with "beginning with the date of contract certification."

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010204 **[Lease of Property for the Visitacion Valley Branch Library]**

Resolution authorizing the lease of real property at 45 Leland Avenue for the Library. (Real Estate Department)

2/12/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anthony Delucchi, Director of Property, Real Estate Division, Administrative Services Department.

RECOMMENDED.. by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

002104 **[Inventory of City property]**

Supervisors Ammiano, Hall

Ordinance directing the Director of Property to create an inventory of City property that may be appropriate for temporary and occasional use by nonprofit arts and cultural organizations.

12/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

Heard in Committee. Speakers: None.

Continued to 3/14/01.

CONTINUED.

010073 **[Housing Budget Increase]**

Supervisor Daly

Hearing to consider a proposal to increase the City's affordable housing budget by 25 percent and set aside 25 percent of this increase for housing for the City's senior citizens.

1/16/01, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

Heard in Committee. Speakers: Supervisor Daly; Denise D'Anne, Senior Action Network; Sally Green, Senior Action Network; Rene Cosanov, Board of Directors, Senior Action Network, and Council of Community Housing Organizations; Sergio Lunan; Susan Walsh, Office of Assemblyman Kevin Shelley; Yefim Brik, San Francisco Association of World War II Veterans; Mauricio Vela, Executive Director, Bernal Heights Neigborhood Center; Telesforo Unite, Bernal Heights Neighborhood Center; Sonia Segueira, Bernal Heights Neighborhood Center; Gloria Williams; Lolita Cantanara, Canon Kip; Joe La Torre, Planning and Monitoring Director, Mayor's Office of Housing; Delbert Scott; Yefim Ditginof; Mary Collins, Senior Survival School; Dennis Deasy; Aleksandr Shoykney; Yuriy Prokofyev; Joyce Calagos; Slavutskaya Svetlana.; Maeka Sheynkman; Maria Velasquez; Bernie Rush; Jose Morales; Victoria Tedder, Housing Counselor, Independent Living Resource Center; Leroy Moore, Jr., Founder and Executive Director, Disability Advocates of Minorities Organization; Ron Groshardt; Julia Zepeda; Leonor Romero; Tatyana Vengerova; Veneracion Zamora, COA Commissioner; Female Speaker; Teresa Vergel, Tenants and Owners Development Corporation (TODCO); Jose Wheelock, Director of Housing Development, TODCO; Jane Kahan, Program Coordinator, Senior Central No. 9; Robert Pender, Park Merced Residents Organization; Bao Yan Chan, Community Tenants Association; Tan Chow, Chinatown Community Development Center; Robert Haaland, Housing Rights Committee; Yanadi Yakovsky; Rosario Ortiz, Senior Central District No. 5; Meg Cooch, Planning for Elders in the Central City; Jim Fabris, Executive Director, San Francisco Association of Realtors; Dr. Salen M.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010370 **[Appropriation, Aging and Adult Services]**

Supervisor Daly

Ordinance appropriating $1,000,000 for senior program needs and $1,000,000 for infrastructure needs identified by Aging and Adult Services needs assessment survey, and amending the Annual Salary Ordinance to create two (2) positions for fiscal year 2000-01.

(Fiscal impact.)

2/26/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speaker: Supervisor Daly. Continued to 3/21/01.

CONTINUED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010371 **[Public Employment]**

Supervisor Daly

Ordinance amending Ordinance No. 181-00 (Annual Salary Ordinance, 2000/01) reflecting the creation of two new positions in Aging and Adult Services.

(Fiscal impact.)

2/26/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speaker: Supervisor Daly. Continued to 3/21/01.

CONTINUED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting adjourned at 1:22 p.m.

0.25

7/01

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 1, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: March 7, 2001 Finance Committee Meeting

Item 1 - File 01-0276

Department:	Department of Public Works (DPW)
Item:	Ordinance appropriating $9,021,349 from an allocation from the State of California Traffic Congestion Relief Fund to fund various local street and roads rehabilitation projects for the Department of Public Works.
Amount:	$9,021,349
Source of Funds:	State of California Traffic Congestion Relief Fund

Budget: A summary budget for the $9,021,349 proposed supplemental appropriation is as follows:

DPW's Proposed Use of the State Traffic Congestion Relief Funds		Amount
Third Street Reconstruction Project –		
Engineering Design		$1,670,000
	Subtotal	**$1,670,000**
Clement Street and Geary Boulevard Roadway Rehabilitation Project		
Engineering Design		190,000
Construction Management		240,000
	Subtotal	$430,000
Construction*		1,891,349
	Subtotal	**$2,321,349**
Hyde, Buchanan and Fell Street Resurfacing Projects		
Construction on Hyde Street, from Fulton to California Street*		615,000
Construction on Buchanan Street, from Clay to Sutter Street*		488,000
Construction on Fell Street, from Steiner to Stanyon Street*		1,027,000
	Subtotal	**$2,130,000**
Third Street Bridge Wharf Retrofit Project		
Engineering Design		50,000
Construction Management		50,000
	Subtotal	$100,000
Construction*		400,000
	Subtotal	**$500,000**
Americans with Disabilities Compliance – Curb Ramp Construction Project		
Engineering Design		150,000
Construction Management		180,000
	Subtotal	$330,000
Construction*		1,170,000
	Subtotal	**$1,500,000**
Downtown Pedestrian Safety Improvements Projects		
Construction – Belden Alley*		250,000
Engineering Design – Fourth Street		52,000
Construction Management – Fourth Street		78,000
Construction – Fourth Street*		520,000
	Subtotal	**$900,000**
	Total	**$9,021,349**

* Construction costs in the above budget include a 10 percent contingency.

Attachment I, provided by DPW, contains details to support the above budget. Funds budgeted for construction costs are estimates, pending completion of competitive bidding processes to select contractors (See Comment No. 1).

Description:

The proposed supplemental appropriation would appropriate $9,021,349 from the State of California Traffic Congestion Relief Fund. The Traffic Congestion Relief Fund was created in the year 2000 through State Assembly Bill 2928. Funded by State gasoline tax revenues, the Traffic Congestion Relief Fund was designed to improve transportation systems and relieve congestion throughout California and can be used generally for street and road improvements. Funds allocated from the Traffic Congestion Relief Fund are separate from, and in addition to, other transportation funds the City already receives from gasoline tax proceeds collected by the State. Ms. Tina Olson of the Department of Public Works (DPW) reports that the City received its first allocation of $9,021,349 in November of 2000. DPW anticipates five more annual allocations from the State Traffic Congestion Relief Fund through Fiscal Year 2005-2006 of approximately $2.7 million each. Ms. Olson advises that the State requires the City to expend the entire $9,021,349 by June 20, 2002, or the City faces losing funding from future allocations.

The proposed supplemental appropriation of $9,021,349 from the State Traffic Congestion Relief Fund would fund the following projects:

<u>Design of the Third Street Roadway Reconstruction and Paving Project</u> **($1,670,000)**

The Third Street Roadway Reconstruction and Paving Project consists of a new 7.1-mile light rail line and a new East Light Rail Maintenance and Operations Facility. Ms. Olson advises that Muni is currently completing the design of Phase I of this project, which will consist of constructing the fist 5.4 miles of the 7.1 mile light rail

line, beginning at the Caltrain Station at 4th and King Streets, running south along 4th Street, then along Owens Street, to Third Street and Bayshore Boulevard to an intermodal terminal adjacent to the Bayshore Caltrain Station ease of Sunnyvale Avenue in Visitation Valley. In conjunction with Muni's work on Phase I, DPW plans to re-design and repave the roadway surrounding the construction of light rail line. The proposed supplemental appropriation would provide $1,670,000 to fund the roadway engineering design for the portion of the Third Street Roadway Reconstruction and Paving Project that runs along Third Street, from Mission Bay to Visitation Valley.

Ms. Olson advises that DPW will begin designing the resurfacing project as soon as the proposed supplemental appropriation is approved. Ms. Olson anticipates completing the design portion in December of 2001. According to Ms. Olson, DPW anticipates funding the construction portion of the resurfacing project with future allocations from the State Traffic Congestion Relief Fund. Ms. Olson estimates that the resurfacing construction for Phase I will begin approximately in October of 2002 and be completed in May of 2004 contingent upon completion of the new light rail line. According to DPW, Muni anticipates that Phase I of the new light rail to be completed and operational approximately in October of 2004.

According to Ms. Olson, Phase II of the light rail project, known as the New Central Subway, will involve construction of new track north from King Street on the surface along Third and Fourth Streets to subway ports at Fourth and Bryant Streets. The line will then continue in a subway, underneath Third, Geary and Stockton Streets, to a terminal at Stockton and Clay Streets. Subway stations will be located at Moscone Center (Third/Howard), Market Street, Union Square (Stockton/Post), and Chinatown (Stockton/Clay). Ms. Olson advises that Phase II has not yet moved into the conceptual design stage. According to DPW, Muni anticipates operational service of Phase II to begin approximately in 2010.

Clement Street and Geary Boulevard Roadway Rehabilitation Project ($2,321,349)

According to Ms. Olson, DPW's Pavement Management and Mapping System show that both Clement Street (from 20th to 45th Avenue) and Geary Boulevard (from 28th to 39th Avenue) are in need of resurfacing. Ms. Olson advises that Clement Street and Geary Boulevard are two major arterial streets, with high-volume Muni bus routes. The proposed supplemental appropriation would provide $2,321,349 to fund design ($190,000), construction management ($240,000), and construction ($1,891,349).

According to Ms. Olson, DPW plans to begin engineering design work upon approval of the proposed supplemental appropriation. DPW anticipates completing a competitive bidding process for the resurfacing of the Clement Street/Geary Boulevard area in August of 2001 and awarding a construction contract in October of 2001. DPW anticipates beginning the resurfacing project in December of 2001 and completing the project by May of 2002.

Hyde, Buchanan and Fell Streets Resurfacing Projects **($2,130,000)**

DPW has determined that portions Hyde Street (from Fulton Street to California Street), Buchanan Street (from Clay Street to Sutter Street) and Fell Street (from Steiner Street to Stanyan Street) are all in need of resurfacing. Ms. Olson reports that DPW's Bureau of Engineering, Streets and Highway Section, has completed engineering design for such street resurfacing. The proposed supplemental appropriation would provide $2,130,000 to fund the construction portion of the resurfacing project.

DPW anticipates completing a competitive bidding process for the proposed resurfacing project in August of 2001 and awarding a construction contract in October of 2001. Ms. Olson advises that DPW plans to begin the resurfacing project in November of 2001 and complete the project by May of 2002.

Third Street Wharf Bridge Retrofit Project ($500,000)

The proposed supplemental appropriation would provide $500,000 to retrofit approximately 1,500 square feet of area on the Port's wharf that support the electrical panel that powers the Third Street Bridge between Channel and Berry Streets. Ms. Olson advises that the wharf is deteriorating and threatening the integrity of the electrical panel. The proposed $500,000 would fund design ($50,000), construction management ($50,000) and construction ($400,000).

Ms. Olson advises that DPW plans to complete a competitive bidding process in August of 2001 and award a construction contract in October of 2001. DPW anticipates beginning construction the wharf retrofit project in November of 2001 and completing the project by May of 2002.

According to Ms. Olson, the proposed project to repair the 1,500 square feet supporting the bridge's electrical panel will build upon the Third Street Bridge retrofit project completed in March of 2000. Ms. Olson advises that this retrofit project cost a total of $12 million and consisted of traffic signal work, retrofit and rehabilitation of the bridge and south approach, restoration of the Watch Man House, construction of a new south Operator House, restoration of the north Operator House, and lead abatement.

Americans with Disabilities Act (ADA) – Curb Ramp Construction Project ($1,500,000)

In 1972, the State mandated that all curbs and sidewalks constructed for public use be accessible and usable by people with physical disabilities, according to Ms. Olson. In 1982, the State completed the State Building Code specifying how cities should meet such requirements. In addition, since 1992, the Federal Americans with Disabilities Act (ADA), has mandated that all municipalities install code-complying curb ramps that provide clear pedestrian paths of travel on all public sidewalks and intersections. Ms. Olson advises that,

originally, municipalities were required to make such improvements by 1995, but that the deadline has now been extended to December of 2002.

According to Ms. Olson, the majority of curb ramps in San Francisco currently do not conform to Federal ADA and State construction standards. Ms. Olson advises that DPW is currently in the process of conducing a city-wide survey to identify the total number of curb ramps required to be installed or reconstructed to bring the City into full compliance with the ADA. Ms. Olson advises that funding constraints have limited DPW's ability to construct curb ramps as quickly as DPW would like, as explained in Attachment II. Ms. Olson advises that since 1998, DPW has built approximately 2,500 curb ramps. However, DPW was unable to provide the Budget Analyst with information about curb ramp construction prior to 1998.

Ms. Olson reports that DPW has made it a priority to bring City curb ramps up to code. The department's current policy is to first install curb ramps in areas with a high concentration of pedestrian activity, followed by specific installations requested by citizens. The proposed supplemental appropriation would provide $1,500,000 to fund curb ramp reconstruction in response to citizen requests, including engineering design ($150,000), construction management ($180,000), and construction ($1,170,000).

Ms. Olson advises that DPW plans to complete a competitive bidding process for the construction of curb ramps in December of 2001 and award a construction contract in February of 2002. According to Ms. Olson, DPW plans to begin construction of the curb ramps in March of 2002 and complete the project by June of 2002.

<u>Downtown Pedestrian Safety Improvement Projects</u> ($900,000)

DPW is the implementing agency of the Department of City Planning's Downtown Pedestrian Safety Improvement Projects, which were created in 1992 and were designed to improve pedestrian movement and

safety in the downtown area. The proposed supplemental appropriation of $900,000 would fund two of the six projects included in this program, as listed in Attachment II, provided by DPW.

The first project to be funded by the proposed supplemental appropriation ($250,000) would be roadway construction in Belden Alley (which is bounded by Pine, Bush, Montgomery and Kearny Streets) to raise the grade of the street to meet that of the sidewalk to improve access for persons who use wheelchairs and final resurfacing of the streets. Ms. Olson reports that DPW anticipates completing a competitive bidding process for construction improvements along Belden Alley in September of 2001 and awarding a construction contract in November of 2001. According to Ms. Olson, DPW anticipates beginning construction for this project in January of 2002 and completing the project by May of 2002.

The second project to be funded by the proposed supplemental appropriation would be a portion of Phase II of the Fourth Street Sidewalk Widening Project. Ms. Olson advises that wider sidewalks and extensions of sidewalks at corners lessen the crossing distance at intersections and increase pedestrians' ability to safely cross the roadway. The Fourth Street Sidewalk Widening Project was created to increase pedestrian safety and improve accessibility along Fourth Street related to the growing senior resident population and increased traffic in the South of Market area, according to Ms. Olson. Ms. Olson advises that DPW completed Phase I of the Fourth Street Sidewalk Widening Project in the Summer of 1999, which consisted of widening and improving the Fourth Street sidewalk from Howard to Clara Street.

The proposed supplemental appropriation would fund portions of the Phase II of the Fourth Street Sidewalk Widening Project, which consists of widening the west sidewalk of Fourth Street from Market to Mission Street and installing a "bulb" at Mission Street, which would provide additional standing space for pedestrians on sidewalks and shorten crosswalk distances. The $650,000 DPW has budgeted for Phase II would include

engineering design ($52,000), construction management ($78,000) and construction ($520,000).

Ms. Olson advises that DPW anticipates completing a competitive bidding process for the improvements on Fourth Street in June of 2001 and award a construction contract in August of 2001. According to Ms. Olson, DPW anticipates beginning construction on this project in October of 2001 and completing the project in April of 2002.

Comments:

1. Ms. Olson advises that all of the engineering design and construction management for the six projects discussed above will be completed in-house, by DPW staff. However, DPW intends to undergo competitive bidding processes to select contractors to complete the construction portions of each of the projects. DPW will select the lowest, most qualified bidder for each of the construction contracts, pursuant to the City Administrative Code, according to Ms. Olson. The Budget Analyst recommends that the Finance Committee request that DPW provide a report to the Finance Committee on the result of such competitive bidding processes after they have been completed.

2. Attachment II, provided by DPW, explains the criteria DPW used in deciding which projects to fund with the $9,021,349 allocated from the State Traffic Congestion Relief Fund. As described further in Attachment II, these selection criteria include:

(a) Street Condition: Roads determined by DPW's Pavement Management and Mapping System (PMMS) to be in the most need of repaving. PMMS prioritizes which roads should be resurfaced based upon pavement condition, the kind of street, average daily traffic and mass transit routes.

(b) Timely Use of Funds: Because the State requires that DPW expend the entire $9,021,349 State allocation by June 30, 2002, DPW states that the department selected projects that could be completed by that date.

(c) Roadway Projects that Support Mass Transit: DPW reports that it prioritized projects that also support high-volume Muni bus routes.

(d) ADA Compliance and Pedestrian Safety Projects: DPW reports that it prioritized its pedestrian projects that would have the most positive impact for safety and accessibility for pedestrians, especially those pedestrians who use wheelchairs.

(e) Geographic Equity: DPW reports that the department used geographic equity as its final screening criterion to ensure that the $9,021,349 State allocation was distributed to as many parts of the City as possible.

Attachment III, provided by DPW, contains the pool of projects from which DPW selected projects to be funded by the proposed supplemental appropriation, based upon the above criteria. Ms. Olson advises that DPW included in this pool of projects all street maintenance and repair projects that could be completed before the State deadline of June 30, 2002 for expending the entire $9,021,34 state allocation.

3. As noted previously, DPW anticipates five more annual allocations from the State Traffic Congestion Relief Fund through Fiscal Year 2005-2006 of approximately $2.7 million each year. Ms. Olson advises that the actual amount of the allocation will fluctuate based on actual sales tax received from gasoline sales.

4. Ms. Olson advises that the State law establishing the Traffic Congestion Relief Fund (Assembly Bill 2928) contains a maintenance of effort requirement, which requires local governments to maintain their existing level of General Fund monies committed to street and road maintenance in order to remain eligible to receive the State funds. According to Ms. Olson, this maintenance of effort level is determined using the average of all City General Fund monies expended for street and road maintenance during Fiscal Years 1996-1997, 1997-1998, and 1998-1999, as reported to the State Controller pursuant to Section 2151 of the State Streets and

Highways Code. Ms. Olson reports that based on the City's filings to the State Controller for the specified fiscal years, the City must continue to provide in future years a minimum of $9,708,278 annually in General Fund monies toward street and road maintenance in order to continue receiving monies from the State Traffic Congestion Relief Fund. Ms. Olson advises that the City met its spending requirement in Fiscal Year 1999-2000, making DPW eligible to receive the full allocation in Fiscal Year 2000-2001. Ms. Olson reports that, according to the City's most recent filing with the State Controller, the City expended $13,160,355 in General Fund monies for street and road maintenance in Fiscal Year 1999-2000.

5. DPW plans to provide the Finance Committee at its March 7, 2001 meeting with copies of DPW's Transportation Capital Plan for Fiscal Year 2000-2001 through Fiscal Year 2009-2010. The Transportation Capital Plan outlines DPW's planned projects for the decade and provides DPW with a strategic plan for managing the funding needs of its transportation-related activities.

Recommendations:

1. Request that DPW provide a report to the Finance Committee on the result of the competitive bidding processes to select construction contractors, in accordance with Comment No. 1 above.

2. Approve the proposed supplemental appropriation.

SUPPLEMENTAL APPROPRIATION BUDGET SUMMARY
LOCAL STREETS AND ROADS REHABILITATION PROJECTS
Bureau of Engineering Estimated Labor Budget

3rd St. Roadway Reconstruction & Paving Project - Design Phase

Segment 2 - Mission Bay
Engineering Design

Title	Class. No.	Hrly Rate	Hrs	Totals
Assistant Civil Engineer	5204	$ 72	1010	$ 72,569
Associate Civil Engineer	5206	$ 85	450	$ 38,354
Civil Engineer	5208	$ 99	150	$ 14,801
Senior Civil Engineer	5210	$ 114	125	$ 14,276
Engineering Associate	5366	$ 73	880	$ 64,469
Surveying Assistant	5312	$ 67	240	$ 16,099
Administrative Engineer	5174	$ 106	175	$ 18,569
Administrative Assistant	1446	$ 56	150	$ 8,339
TOTAL				$ 247,475

Segment 3 - Central Waterfront
Engineering Design

Title	Class. No.	Hrly Rate	Hrs	Totals
Assistant Civil Engineer	5204	$ 72	2040	$ 146,574
Associate Civil Engineer	5206	$ 85	950	$ 80,969
Civil Engineer	5208	$ 99	300	$ 29,601
Senior Civil Engineer	5210	$ 114	140	$ 15,989
Engineering Associate	5366	$ 73	1500	$ 109,890
Surveying Assistant	5312	$ 67	475	$ 31,863
Administrative Engineer	5174	$ 106	200	$ 21,222
Administrative Assistant	1446	$ 56	205	$ 11,396
TOTAL				$ 447,504

Segment 4 - Bayview
Engineering Design

Title	Class. No.	Hrly Rate	Hrs	Totals
Assistant Civil Engineer	5204	$ 72	1550	$ 111,368
Associate Civil Engineer	5206	$ 85	650	$ 55,400
Civil Engineer	5208	$ 99	280	$ 27,628
Senior Civil Engineer	5210	$ 114	135	$ 15,418
Engineering Associate	5366	$ 73	1200	$ 87,912
Surveying Assistant	5312	$ 67	275	$ 18,447
Administrative Engineer	5174	$ 106	200	$ 21,222
Administrative Assistant	1446	$ 56	200	$ 11,118
TOTAL				$ 348,512

SUPPLEMENTAL APPROPRIATION BUDGET SUMMARY
LOCAL STREETS AND ROADS REHABILITATION PROJECTS
Bureau of Engineering Estimated Labor Budget

Segment 5 - South Bayview
Engineering Design

Title	Class. No.	Hrly Rate		Hrs		Totals
Assistant Civil Engineer	5204	$	72	1000	$	71,850
Associate Civil Engineer	5206	$	85	550	$	46,877
Civil Engineer	5208	$	99	210	$	20,721
Senior Civil Engineer	5210	$	114	85	$	9,708
Engineering Associate	5366	$	73	865	$	63,370
Surveying Assistant	5312	$	67	230	$	15,428
Administrative Engineer	5174	$	106	130	$	13,794
Administrative Assistant	1446	$	56	104	$	5,781
TOTAL					$	247,529

Segment 6 - Bayshore/Visitacion Valley
Engineering Design

Title	Class. No.	Hrly Rate		Hrs		Totals
Assistant Civil Engineer	5204	$	72	1500	$	107,775
Associate Civil Engineer	5206	$	85	710	$	60,513
Civil Engineer	5208	$	99	250	$	24,668
Senior Civil Engineer	5210	$	114	180	$	20,558
Engineering Associate	5366	$	73	1000	$	73,260
Surveying Assistant	5312	$	67	490	$	32,869
Administrative Engineer	5174	$	106	220	$	23,344
Administrative Assistant	1446	$	56	109	$	6,059
TOTAL					$	349,046
Lump Sum - Testing Lab					$	29,934
PROJECT TOTAL					$	1,670,000

SUPPLEMENTAL APPROPRIATION BUDGET SUMMARY
LOCAL STREETS AND ROADS REHABILITATION PROJECTS
Bureau of Engineering Estimated Labor Budget

Clement/Geary Roadway Rehabilitation Project

Engineering Design

Title	Class. No.	Hrly Rate	Hrs	Totals
Junior Civil Engineer	5201	$ 65	630	$ 40,843
Assistant Civil Engineer	5204	$ 72	390	$ 28,022
Associate Civil Engineer	5206	$ 85	590	$ 50,286
Civil Engineer	5208	$ 99	230	$ 22,694
Senior Civil Engineer	5210	$ 114	65	$ 7,424
Chief Surveyor	5216	$ 98	90	$ 8,837
Surveying Assistant	5312	$ 67	230	$ 15,428
Engineering Associate	5366	$ 73	225	$ 16,484
TOTAL				$ 190.017

Construction Management

Title	Class. No.	Hrly Rate	Hrs	Totals
Associate Civil Engineer	5206	$ 85	190	$ 16,194
Civil Engineer	5208	$ 99	110	$ 10,854
Senior Civil Engineer	5210	$ 114	75	$ 8,566
Testing Lab Technician	5305	$ 59	335	$ 19,698
Construction Inspector	6318	$ 80	2,298	$ 184,690
TOTAL				$ 240.001
PROJECT TOTAL				$ 430.018

Clement/Geary Roadway Rehabilitation Project
Preliminary Engineer's Construction Cost Estimate

Roadway Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Traffic Routing Work for Paving Work	---	---	LS	$46,000.00
2	Full-Depth Planing per 2-Inch Depth of Cut	675,150	SF	$0.65	$438,847.50
3	Asphalt Concrete (Type A, 1/2-Inch Maximum with Medium Grading)	11,200	TON	$65.00	$728,000.00
4	3 1/2-Inch Thick Concrete Sidewalk	3,250	SF	$8.00	$26,000.00
5	Concrete Curb Ramp	148	EA	$1,400.00	$207,200.00
6	6-Inch Thick Concrete Curb	875	LF	$30.00	$26,250.00
7	8-Inch Thick Concrete Base	11,724	SF	$10.00	$117,240.00
8	8-Inch Thick Concrete Parking Strip	4,500	SF	$11.00	$49,500.00
9	Project Sign	---	---	LS	$2,000.00
10	Field Office for Engineer, Satandard Type "B"	---	---	LS	$3,000.00
11	Adjust City-Owned Manhole Frame and Cover to Grade	12	EA	$300.00	$3,600.00
12	Adjust San Francisco Fire Department-Owned Low-Pressure Hydrant Lead Valve Box Casting Cover to Grade	6	EA	$200.00	$1,200.00
13	Adjust San Francisco Fire Department-Owned High-Pressure Hydrant Lead Valve Box Casting Cover to Grade	4	EA	$300.00	$1,200.00
14	Furnish and Install Temporary 4-Inch Broken White/Yellow Striping	10,000	LF	$0.75	$7,500.00
15	Furnish and Install Temporary 8-Inch Solid White Striping	500	LF	$1.90	$950.00
16	Furnish and Install Temporary 12-Inch Crosswalk Striping	5,200	LF	$2.90	$15,080.00
17	Furnish and Install Temporary Double Yellow Striping	50	LF	$2.50	$125.00
18	Furnish and Install Temporary Raised Pavement Markers	451	EA	$1.50	$676.50
19	Uniformed Off-Duty San Francisco Police Officers (As Required by the Engineer. No Bid Required)	---	---	Allowance	$40,000.00
20	Adjust San Francisco Water Dept-Owned 6-Inch or 8-Inch Valve Box Casting Cover to Grade	72	EA	$65.00	$4,680.00
21	Adjust San Francisco Water Dept-Owned 6-Inch or 8-Inch Valve Box Casting Cover to Grade (Deletable Bid Item)	1	EA	$300.00	$300.00

Total of Roadway Work $1,719,349.00

	Construction Subtotal:	$1,719,349.00
As submitted in DPW's Labor Budget -	Engineering Design:	$190,000.00
As submitted in DPW's Labor Budget -	Construction Management:	$240,000.00
	Contingency:	$172,000.00
	Total Project Cost:	$2,321,349.00

Anticipated Milestones:

Contract Bid		Aug-01
Contract Award		Oct-01
Construction Start		Dec-01
Construction End	15	[illegible]

Hyde Street Roadway Rehabilitation Project
Preliminary Engineer's Construction Cost Estimate

Roadway Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Traffic Routing Work for Paving Work	---	---	LS	$30,000.00
2	Full-Depth Planing per 2-Inch Depth of Cut	180,000	SF	$0.65	$117,000.00
3	Asphalt Concrete (Type A, 1/2-Inch Maximum with Medium Grading)	2,500	TON	$65.00	$162,500.00
4	3 1/2-Inch Thick Concrete Sidewalk	3,900	SF	$7.00	$27,300.00
5	Concrete Curb Ramp	57	EA	$1,200.00	$68,400.00
6	6-Inch Thick Concrete Curb	250	LF	$30.00	$7,500.00
7	8-Inch Thick Concrete Base	8,275	SF	$9.00	$74,475.00
8	8-Inch Thick Concrete Parking Strip	150	SF	$10.00	$1,500.00
9	Project Sign	---	---	LS	$2,000.00
10	Field Office for Engineer, Standard Type "B"	---	---	LS	$3,000.00
11	Adjust City-Owned Manhole Frame and Cover to Grade	2	EA	$300.00	$600.00
12	Adjust San Francisco Fire Department-Owned Low-Pressure Hydrant Lead Valve Box Casting Cover to Grade	2	EA	$200.00	$400.00
13	Adjust San Francisco Fire Department-Owned High-Pressure Hydrant Lead Valve Box Casting Cover to Grade	2	EA	$300.00	$600.00
14	Furnish and Install Temporary 4-Inch Broken White/Yellow Striping	5,800	LF	$0.75	$4,350.00
15	Furnish and Install Temporary 8-Inch Solid White Striping	300	LF	$1.90	$570.00
16	Furnish and Install Temporary 12-Inch Crosswalk Striping	4,100	LF	$2.90	$11,890.00
17	Furnish and Install Temporary Double Yellow Striping	50	LF	$2.50	$125.00
18	Furnish and Install Temporary Raised Pavement Markers	510	EA	$1.50	$765.00
19	Uniformed Off-Duty San Francisco Police Officers (As Required by the Engineer. No Bid Required)	---	---	Allowance	$40,000.00
20	Adjust San Francisco Water Dept-Owned 6-Inch or 8-Inch Valve Box Casting Cover to Grade	65	EA	$65.00	$4,225.00
21	Adjust San Francisco Water Dept-Owned 6-Inch or 8-Inch Valve Box Casting Cover to Grade (Deletable Bid Item)	1	EA	$300.00	$300.00

Total of Roadway Work	$557.500.00
Construction Subtotal:	$557,500.00
Contingency:	$57,500.00
Total Project Cost:	$615,000.00

Anticipated Milestones:

Contract Bid	Aug-01
Contract Award	Oct-01
Construction Start	Nov-01
Construction End	May-02

Buchanan Street Pavement Renovation and Sewer Replacement Project
Preliminary Engineer's Construction Cost Estimate

Roadway Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Traffic Routing Work for Paving Work	---	---	LS	$20,000.00
2	Temporary 12" Crosswalk Striping	2,000	LF	$2.90	$5,800.00
3	Uniformed Off-Duty San Francisco Police Officers (As required by the Engineer for Paving Work (No Bid Required)	---	---	Allowance	$10,000.00
4	Full-Depth Planing per 2-Inch Depth of Cut	51,325	SF	$0.80	$41,060.00
5	Wedge-Shaped Planing Per 2-Inch Depth of Cut by 7-foot Wide	1,850	LF	$1.90	$3,515.00
6	Asphalt Concrete (Type A, 1/2-Inch Maximum with Medium Grading)	935	TON	$60.00	$56,100.00
7	8-Inch Thick Concrete Base	6,750	SF	$7.00	$47,250.00
8	8-Inch Thick Concrete Pavement	8,750	SF	$7.50	$65,625.00
9	6-Inch Thick Concrete Curb	3,900	LF	$30.00	$117,000.00
10	3 1/2-Inch Thick Concrete Sidewalk	7,500	SF	$6.50	$48,750.00
11	Concrete Curb Ramp	16	EA	$1,200.00	$19,200.00
12	Project Sign	---	---	LS	$2,000.00
13	Field Office for Engineer, Standard Type "B"	---	---	LS	$3,000.00
14	Adjust City-Owned Manhole Frame and Cover to Grade	7	EA	$180.00	$1,260.00
15	Adjust San Francisco Fire Department-Owned Low-Pressure Hydrant Lead Valve Box Casting Cover to Grade	5	EA	$180.00	$900.00
16	Adjust San Francisco Fire Department-Owned Low-Pressure Hydrant Lead Valve Box Casting Cover to Grade	3	EA	$180.00	$540.00
17	Adjust San Francisco Fire Department-Owned Low-Pressure Hydrant Lead Valve Box Casting Cover to Grade	20	EA	$65.00	$1,300.00
18	Reconstruct San Francisco Water Department-Owned 6-Inch or 8-Inch Valve Box Casting Cover to Grade (Deletable Bid Item)	1	EA	$300.00	$300.00

Total of Roadway Work $443,600.00

Construction Subtotal: $443,600.00
Contingency: $44,400.00
Total Project Cost: $488,000.00

Anticipated Milestones:

Contract Bid	Aug-01
Contract Award	Oct-01
Construction Start	Nov-01
Construction End	May-02

Fell Street Pavement Renovation Project

Preliminary Engineer's Construction Cost Estimate

Roadway Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Traffic Routing Work for Paving Work	---	---	LS	$46,000.00
2	Full-Depth Planing per 2-Inch Depth of Cut	200,000	SF	$0.70	$140,000.00
3	Asphalt Concrete (Type A, 1/2-Inch Maximum with Medium Grading)	4,400	TON	$65.00	$286,000.00
4	3 1/2-Inch Thick Concrete Sidewalk	3,200	LF	$7.00	$22,400.00
5	Concrete Curb Ramp	42	EA	$1,600.00	$67,200.00
6	6-Inch Thick Concrete Curb	310	LF	$30.00	$9,300.00
7	8-Inch Thick Concrete Base	35,000	SF	$8.00	$280,000.00
8	8-Inch Thick Concrete Parking Strip	1,200	SF	$9.00	$10,800.00
9	Project Sign	---	---	LS	$2,000.00
10	Field Office for Engineer, Standard Type "B"	---	---	LS	$3,000.00
11	Adjust City-Owned Manhole Frame and Cover to Grade	20	EA	$300.00	$6,000.00
12	Adjust San Francisco Fire Department-Owned Low-Pressure Hydrant Lead Valve Box Casting Cover to Grade	5	EA	$200.00	$1,000.00
13	Adjust San Francisco Fire Department-Owned High-Pressure Hydrant Lead Valve Box Casting Cover to Grade	2	EA	$300.00	$600.00
14	Furnish and Install Temporary 4-Inch Broken White/Yellow Striping	5,800	LF	$0.75	$4,350.00
15	Furnish and Install Temporary 8-Inch Solid White Striping	250	LF	$1.90	$475.00
16	Furnish and Install Temporary 12-Inch Crosswalk Striping	3,500	LF	$2.90	$10,150.00
17	Furnish and Install Temporary Double Yellow Striping	100	LF	$2.50	$250.00
18	Furnish and Install Temporary Raised Pavement Markers	350	EA	$1.50	$525.00
19	Uniformed Off-Duty San Francisco Police Officers (As Required by the Engineer. No Bid Required)	---	---	Allowance	$30,000.00
20	Repair Side Sewer (Deletable Bid Item)	100	LF	$100.00	$10,000.00
21	Adjust San Francisco Water Dept-Owned 6-Inch or 8-Inch Valve Box Casting Cover to Grade	50	EA	$65.00	$3,250.00
22	Adjust San Francisco Water Dept-Owned 6-Inch or 8-Inch Valve Box Casting Cover to Grade (Deletable Bid Item)	1	EA	$300.00	$300.00

Total of Roadway Work $933,600.00

Construction Subtotal: $933,600.00

Contingency: $93,400.00

Total Project Cost: $1,027,000.00

Anticipated Milestones:

Contract Bid	Aug-01
Contract Award	Oct-01
Construction Start	Nov-01

SUPPLEMENTAL APPROPRIATION BUDGET SUMMARY
LOCAL STREETS AND ROADS REHABILITATION PROJECTS
Bureau of Engineering Estimated Labor Budget

3rd St. Bridge Wharf Retrofit Project

Engineering Design

Title	Class. No.	Hrly Rate	Hrs	Totals
Associate Civil Engineer	5206	$ 85	290	$ 24,717
Engineering Associate	5366	$ 73	96	$ 7,033
Civil Engineer	5208	$ 99	40	$ 3,947
Administrative Engineer	5174	$ 106	135	$ 14,325
TOTAL				$ 50,021

Construction Management

Title	Class. No.	Hrly Rate	Hrs	Totals
Associate Civil Engineer	5206	$ 85	90	$ 7,671
Civil Engineer	5208	$ 99	70	$ 6,907
Construction Inspector	6318	$ 80	441	$ 35,443
TOTAL				$ 50,021
PROJECT TOTAL				$ 100,042

3rd Street Bridge Marginal Wharf Retrofit
Preliminary Engineer's Construction Cost Estimate

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Bridge Removal	---	---	LS	$16,435.00
2	Furnish 24" Cast-in-place shell concrete pile	372	LF	$140.00	$52,080.00
3	Drive 24" Cast-in-place shell concrete pile	4	EA	$12,000.00	$48,000.00
4	Structural concrete bridge	21	CY	$800.00	$16,800.00
5	Drill and bond dowel	52	LF	$50.00	$2,600.00
6	Core concrete and pressure grout	28	LF	$90.00	$2,520.00
7	Bar reinforcing steel (epoxy-coated)	5,322	LB	$1.50	$7,983.00
8	Bar reinforcing steel (pile)	21,660	LB	$0.75	$16,245.00
9	Elastometric Bearing	2	EA	$4,000.00	$8,000.00
10	Miscellaneous Metal	262	LB	$15.00	$3,930.00
11	Metal Railing	46	LF	$150.00	$6,900.00
12	Rehabilitation of Existing Piles	4	EA	$22,000.00	$88,000.00
13	Ladder Removal and Relocation	---	---	LS	$1,000.00
14	Repair of unsound concrete	50	SF	$470.00	$23,500.00
15	Repair of cracks (epoxy)	50	LF	$280.00	$14,000.00
16	Utility Relocation	---	---	LS	$10,000.00
17	Saw cut/chip out deck for brick pavers	100	LF	$30.00	$3,000.00
18	Removal of end of existing guard rail	---	---	LS	$2,000.00
19	New Concrete Curb	18	LF	$200.00	$3,600.00
20	Patching of saw cut paving for brick pavers	---	---	LS	$1,000.00
21	Brick pavers and mortar bed	50	LF	$40.00	$2,000.00
22	Metal Enclosure at Existing Electrical Switch Gear	---	---	LS	$15,000.00
23	Securing existing door of Operators House	---	---	LS	$1,000.00
24	Painting metal	---	---	LS	$3,000.00
25	Traffic routing	---	---	LS	$15,000.00
				Total of Bridge Work	$363,593.00

Construction Subtotal:	$363,593.00
Engineering Design:	$50,021.00
Construction Management:	$50,021.00
Contingency:	$36,365.00
Total Project Cost:	$500,000.00

Anticipated Milestones:

Contract Bid	Aug-01
Contract Award	Oct-01
Construction Start	Nov-01
Construction End	May-02

SUPPLEMENTAL APPROPRIATION BUDGET SUMMARY
LOCAL STREETS AND ROADS REHABILITATION PROJECTS
Bureau of Engineering Estimated Labor Budget

ADA COMPLIANCE - CURB RAMP CONSTRUCTION PROJECT

Engineering Design

Title	Class. No.	Hrly Rate	Hrs	Totals
Assistant Civil Engineer	5204	$ 72	1,230	$ 88,376
Engineering Associate	5366	$ 73	510	$ 37,363
Civil Engineer	5208	$ 99	110	$ 10,854
Administrative Engineer	5174	$ 106	45	$ 4,775
Administrative Assistant	1446	$ 56	155	$ 8,616
TOTAL				$ 149,983

Construction Management

Title	Class. No.	Hrly Rate	Hrs	Totals
Associate Civil Engineer	5206	$ 85	90	$ 7,671
Civil Engineer	5208	$ 99	220	$ 21,707
Construction Inspector	6318	$ 80	1,750	$ 140,648
Testing Lab Technician	5305	$ 59	170	$ 9,996
TOTAL				$ 180,022
PROJECT TOTAL				$ 330,005

Curb Ramp Construction Project
Preliminary Engineer's Construction Cost Estimate

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Traffic Routing Work	---	---	LS	$10,000
2	Concrete Curb Ramp	700	EA	$1,500	$1,050,000
3	Project Signs	---	---	LS	$2,000
4	Field Office for Engineer, Standard Type "B"	---	---	LS	$1,632

Construction Subtotal:	$1,063,632
10% Contingency:	$106,363
Construction TOTAL:	$1,169,995
BOE Labor:	$149,983
BCM Labor:	$180,022
TOTAL PROJECT COST:	$1,500,000

Anticipated* Milestones:

Contract Bid	Dec-01
Contract Award	Feb-02
Construction Start	Mar-02
Construction End	Jun-02

*Based on the aggressive timely use of funds requirement, DPW anticipates the need to advertise for a contractor to do the construction at this time.

Belden Alley Pedestrian Improvements Project
Preliminary Engineer's Construction Cost Estimate

Roadway Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Traffic Routing Work	---	---	LS	$10,000.00
2	Mobilization	---	---	Allowance	$15,000.00
3	Demolition of Existing Sidewalk and Curbs	720	SF	$5.00	$3,600.00
4	Remove Existing Bollards and Patch Sidewalk	25	EA	$200.00	$5,000.00
5	Asphalt Concrete (Type 'A' 1/2-Inch Maximum with Medium Grading)	2,550	SF	$10.00	$25,500.00
6	3 1/2-Inch Thick Concrete Sidewalk and Driveways	600	SF	$20.00	$12,000.00
7	Grout Existing Curbs	---	---	Allowance	$5,000.00
				Total of Roadway Work	$76,100.00

Landscape Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Warning Pavers	100	SF	$20.00	$2,000.00
2	Bollards with Concrete Replacement	36	EA	$1,500.00	$54,000.00
3	Replacement Bollards	6	EA	$1,200.00	$7,200.00
4	Gates	3	EA	$15,000.00	$45,000.00
5	Gate Posts	6	EA	$2,500.00	$15,000.00
				Total of Landscape Work	$123,200.00

Utility Relocation Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Raise Utilities	5	EA	$1,000.00	$5,000.00
2	Relocate Existing Catch Basin	1	EA	$3,000.00	$3,000.00
3	Construct New Catch Basin with Culverts	2	EA	$5,000.00	$10,000.00
4	Construct New Drain Inlets	4	EA	$2,500.00	$10,000.00
				Total of Utility Relocation Work	$28,000.00

Construction Subtotal:	$227,300.00
Contingency:	$22,700.00
Total Project Cost:	$250,000.00

Anticipated Milestones:

Contract Bid	Sep-01
Contract Award	Nov-01
Construction Start	Jan-02
Construction End	May-02

SUPPLEMENTAL APPROPRIATION BUDGET SUMMARY
LOCAL STREETS AND ROADS REHABILITATION PROJECTS
Bureau of Engineering Estimated Labor Budget

4th St. Sidewalk Widening Project

Engineering Design

Title	Class. No.	Hrly Rate		Hrs		Totals
Junior Civil Engineer	5201	$	65	110	$	7,131
Assistant Civil Engineer	5204	$	72	115	$	8,263
Associate Civil Engineer	5206	$	85	90	$	7,671
Civil Engineer	5208	$	99	80	$	7,894
Senior Civil Engineer	5210	$	114	40	$	4,568
Chief Surveyor	5216	$	98	24	$	2,357
Surveying Assistant	5312	$	67	80	$	5,366
Engineering Associate	5366	$	73	120	$	8,791
TOTAL					$	52,041

Construction Management

Title	Class. No.	Hrly Rate		Hrs		Totals
Associate Civil Engineer	5206	$	85	110	$	9,375
Civil Engineer	5208	$	99	20	$	1,973
Senior Civil Engineer	5210	$	114	25	$	2,855
Construction Inspector	6318	$	80	765	$	61,483
Testing Lab Technician	5305	$	59	40	$	2,352
TOTAL					$	78,039
PROJECT TOTAL					$	130,080

Fourth Street Sidewalk Widening Project, Phase II (Market to Jessie)
Preliminary Engineer's Construction Cost Estimate

Roadway Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Full Depth Planing per 2-Inch Depth of Cut	25,000	SF	$0.55	$13,750.00
2	Asphalt Concrete (Type 'A' 1/2-Inch Maximum with Medium Grading)	650	TON	$65.00	$42,250.00
3	8-Inch Thick Concrete Base	25,000	SF	$6.50	$162,500.00
4	8-Inch Thick Concrete Parking Strip	2,530	SF	$6.50	$16,445.00
5	3 1/2-Inch Thick Concrete Sidewalk	6,000	SF	$7.00	$42,000.00
6	Replace Existing 3 1/2-Inch Thick Concrete Sidewalk Above Sub-basement	6,500	SF	$20.00	$130,000.00
7	6-Inch Concrete Curb	900	LF	$30.00	$27,000.00
8	Curb Ramps	7	EA	$1,100.00	$7,700.00
9	Project Signs	---	---	LS	$2,000.00
10	Field Office for Engineer, Standard Type "B"	---	---	LS	$4,000.00
11	Adjust City-Owned Manhole or Catchbasin Frame and Cover to Grade	1	EA	$500.00	$500.00
12	Adjust to Grade Existing Manhole	1	EA	$500.00	$500.00
12	Traffic Routing Work	---	---	LS	$50,000.00
13	Off-Duty SFPD Officers	120	HR	$65.00	$7,800.00
14	Temporary Retroreflective Pavement Markings after Base Reconstruction/Grinding (3M Series 5160/5161) - Crosswalk/Stop Line 12"	500	LF	$2.00	$1,000.00
15	Temporary Retroreflective Pavement Markings after Base Reconstruction/Grinding (3M Series 5160/5161) - Lane Lines 8 Solid/Broken	1,200	LF	$2.00	$2,400.00
16	Temporary Retroreflective Pavement Markings after Base Reconstruction/Grinding (3M Series 5160/5161) - 4-Inch Broken White	1,200	LF	$1.00	$1,200.00
17	Temporary Reflective Overlay Pavement Markers	100	EA	$1.00	$100.00
				Total of Roadway Work	$511,145.00

Landscape Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Remove Special Paving, 1450 sf	---	---	LS	$4,000.00
2	Sawcut & Remove Existing Bricks	600	SF	$10.00	$6,000.00
3	Remove Tree Grates, 8	---	---	LS	$400.00
4	Provide Brick Paving	900	SF	$40.00	$36,000.00
5	Salvage & Install Bronze Sidewalk Name Plaque	1	EA	$250.00	$250.00
6	Provide Tree Grates	8	EA	$800.00	$6,400.00
7	Prepare Pits, Maintain 8 Existing Trees	---	---	LS	$2,800.00
8	Provide Special Paving & Concrete Band	---	---	LS	$52,120.00
9	Form Special Curb Ramp	---	---	LS	$2,000.00
10	Remove & Install Granite Curb	100	LF	$140.00	$14,000.00
11	Salvage & Install Granite Curb Ramp Band	40	LF	$130.00	$5,200.00
12	Provide Granite Curb	30	LF	$200.00	$6,000.00
				Total of Landscape Work	$135,170.00

Lighting Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Lighting	---	---	LS	$100,000.00
				Total of Lighting Work	$100,000.00

Utility Relocation Work

Bid Item No.	Bid Items	Estimated Quantity	Unit	Unit Price	Extension
1	Relocate 1 High Pressure Hydrant	---	---	LS	$10,000.00
2	Relocate 200' - 12" Diameter AWSS Main	---	---	LS	$75,000.00
3	Remove, Salvage as City's Property and Deliver to DPT Sign Shop Double Posts Sign Supports and Installation of Two Signs on Single Post	1	EA	$200.00	$200.00
4	Furnish and Install Parking Meter Posts	9	EA	$50.00	$450.00
5	Removal and Relocation of "Single Post" and installation of up to Two Signs on Single Post	6	EA	$100.00	$600.00
3	Remove Existing MUNI Steel Pole, Furnish and Install new Street Trolley Pole, Type 767 with Foundation and Traffic Signal Arm	3	EA	$4,500.00	$13,500.00
4	Special Pole Foundation	1	EA	$4,000.00	$4,000.00
5	MUNI Overhead Work per MUNI Drawings	---	---	LS	$15,000.00
6	Abandon Existing Catchbasin	4	EA	$300.00	$1,200.00
7	Standard Concrete Catchbasin with no Curb Inlet with Salvage Frame and Grating (Per Std. Plan LL-18,093.1 Ch.7)	4	EA	$3,000.00	$12,000.00
8	10" Diameter VCP Culvert	12	LF	$100.00	$1,200.00
9	Excavation and Backfill for Hydrant Relocation	5	CY	$100.00	$500.00
10	Remove and Reinstall 1" Meter Boxes and Covers	2	EA	$100.00	$200.00
11	Remove and Reinstall 2" Meter Boxes and Covers	3	EA	$160.00	$480.00
12	Adjusting SFWD-Owned 6" & 8" Valve Box & Cover to Grade	7	EA	$65.00	$455.00
13	Reconstructing SFWD-Owned 6" & 8" Valve Box & Cover to Grade	3	EA	$100.00	$300.00
14	Support and Work Around SFWD Facilities	---	---	LS	$5,000.00
15	Work to be Done by Others (SFWD)	---	---	LS	$10,000.00
				Total of Utility Relocation Work	$150,085.00

Construction Subtotal:	$896,400.00
Engineering Design:	$150,000.00
Construction Management:	$134,000.00
Contingency:	$89,600.00
Total Project Cost:	$1,270,000.00

*Design labor as shown in the Labor Budget for AB 2928 funding is prorated

*Construction Management labor as shown in the Labor Budget for AB 2928 funding is prorated

DPW Funding Plan

This is project is being funded from the following sources:

Prop B Half- Cent Sales Tax:	$440,000
AB 2928 Funding Request:	$650,000
Private Funding from Developers:	$180,000
	$1,270,000

Anticipated Milestones:

Contract Bid	Jun-01
Contract Award	Aug-01
Construction Start	Oct-01
Construction End	Apr-02

and County of San Francisco

Department of Public Works
Finance and Budget Division

March 1, 2001

Mr. Harvey Rose
Board of Supervisors' Budget Analyst
1390 Market Street, Suite 1025
San Francisco, California 94102

Subject: File 01-0276 – Ordinance for a Supplemental Appropriation for State Traffic Congestion Relief Fund Money

Dear Mr. Rose:

This letter is in response to Ms. Emilie Neumann of your staff requesting that the Department of Public Works (DPW or the Department) explain how it generally prioritizes roadway projects as well as how it arrived at its list of proposed projects for Traffic Congestion Relief Fund (TCRF) money allocated to the City during FY 00-01.

GENERAL RESURFACING PROJECT PRIORITIZATION

Pavement Management & Mapping System

Since 1984, DPW has used a Pavement Management System to set priorities for resurfacing City-maintained streets. This system, now called the Pavement Management and Mapping System (PMMS) resides within DPW's Street Construction Coordination Center (SCCC). The PMMS is a tool that establishes a ranking that allows DPW to determine which streets with asphalt surfaces are nearing the end of their useful lives and should be resurfaced before there is damage to the concrete base. If a street's maintenance is deferred and the asphalt topcoat is deteriorated to the degree that its concrete is allowed to suffer damage, it becomes more costly to repair.

In general, the streets of San Francisco have an average useful life of eighteen to twenty (18-20) years. However, a street's useful life is shortened when there is more traffic and heavy vehicles traveling over it. Thus, a busier street's asphalt will usually last for five to ten years while a quieter street can remain functional for thirty years or more. Another factor that shortens pavement life is utility trenching. Periodically, utilities such as PG&E or the Water Department must repair or replace their facilities that lie underneath the street's pavement. In order to reach them, the utilities must saw cut through the pavement which, in effect, can cause a vulnerable spot in the street.

DPW inspects the physical condition of each of San Francisco's 12,000-plus blocks every two years. The streets are rated based upon ride quality (bumpiness), cracking, surface erosion, and the number and size of utility trenches in each block. These five rating

components combined with traffic volume and loading, give a good estimate of how much longer the pavement on a certain block will last before it will have to be resurfaced. DPW then ranks the street on a decreasing scale starting with 100 (reflecting a freshly resurfaced or new roadway) to negative thirty-one (-31). This ranking permits DPW to see citywide all the streets' rankings to determine which blocks need attention first. The optimal time to resurface a street is when the PMMS score is between 25 and 60.

For the street resurfacing projects DPW has proposed, the average PMMS score for those projects are as follows:

Clement Street – 20th to 45th Ave. : 41.3
Geary Blvd. – 28th to 39th Ave. : 47.1
Hyde St. – Fulton to California St.: 42.4
Buchanan St. – Clay to Sutter St.: 41.8
Fell St. – Steiner to Stanyan St.: 44.4

San Francisco's Excavation Code

The City has rewritten its excavation code and has formed the SCCC to improve and accelerate the process of utility coordination and paving. DPW coordinates its paving work with utility street excavation in order to maximize the useful life of the pavement. On a particular block, utility excavations are performed first and then the street is paved. After the street is paved, there is a moratorium of five (5) years so that no one will dig up the fresh pavement, the exception of course being an emergency such as a utility line break.

Once a street is cleared for all public and private utility work or coordinated with utility excavation projects, DPW determines the type of treatment required (e.g., partial or total reconstruction or simple resurfacing). DPW then determines which streets to pave based on the amount of funding it has available in a given year. (A copy of DPW's "The Impact of Excavation on San Francisco Streets" is attached for your convenience.)

DPW's Five-Year Plan

Each year, after developing a priority list, DPW updates its five-year plan of anticipated streets to be paved. Prior to scheduling a street for paving, the street is checked against utility excavators' 5-Year Plans of anticipated major work. Paving is coordinated with utility excavation projects and where possible, jointly contracted. Each street is either cleared by utilities of future utility street excavations to avoid excavation of newly-paved streets or utility excavation projects are coordinated with paving projects to extend the life of the pavement and to minimize disruption to neighborhoods and the traveling public. The City places a five (5) year moratorium for excavation on a street after it has been paved.

Lastly, DPW makes an effort to support those streets with heavily used Muni routes and maintains a conscientious effort to ensure that improvements are equitably distributed

among various neighborhoods and commercial districts throughout the City. DPW contracts out street improvements that cost more than $100,000 while allowing its Bureau of Street and Sewer Repair (BSSR) to undertake those resurfacing projects below $100,000.

In Partnership with the Community

DPW uses its Public Affairs staff to notify impacted neighbors about an upcoming street resurfacing project. Thirty days prior to the start of construction, DPW sends a notice to each address on the blocks to be paved. Provisions are made within the DPW contract package that requires contractors to provide access to businesses and residents so that they are not unduly restricted. Both the Public Affairs and SCCC staff are available to assist residents and businesses with their concerns while a resurfacing project is in progress.

If DPW knows that it will need to pave a street that has suffered major damage, such as in the case where the street's concrete base is damaged, the outreach effort is started by DPW staff at least nine to twelve months in advance. This effort is a particular concern for DPW when a project will take place in a busy commercial district that also has heavy pedestrian traffic.

For projects in which a roadway's alignment or capacity is being significantly altered, such as with the Embarcadero, Bernal Heights, or the Octavia Boulevard Projects, the City establishes Citizens Advisory Committees (CAC).

For street resurfacing or reconstruction projects which are considered routine maintenance, DPW submits its list of projects to the San Francisco County Transportation Authority's (TA or the Authority) CAC on an annual basis as part of its Proposition B Half-Cent Sales Tax grant application. In general, DPW's street resurfacing jobs are funded mostly through the Prop. B established by voters in 1989. The Authority usually reviews Prop B grant applications in April and May prior to the start of the new fiscal year. As part of that process, the CAC reviews all the applications of Departments including DPW's. The TA CAC has been supportive of DPW's prioritization method for routine street resurfacing projects.

Provided for your convenience is DPW's 2-Year Plan, which is a subset of the 5-year plan.

ADDITIONAL CRITERIA USED FOR PROJECTS PROPOSED FOR TCRF

TIMELY USE OF FUNDS

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As explained in a previous submission to the Budget Analyst's office, Section 19 (f) of Ch. 91 of the Statutes of 2000 requires that TCRF money be expended no later than the end of the fiscal year following the fiscal year in which the allocation was made. For this appropriation request, the $9,021,349 was allocated during FY 2000-01, thus the funds must be expended no later than June 30, 2002.

The legislation also states explicitly that any funds not expended by the deadline, in this case June 30, 2002, would be returned to the State Controller for reallocation to other counties and cities. There are no exceptions to this deadline and there is no avenue by which the City can request an extension.

Lastly, under Section 11.5 of AB 2928, the legislation specifically instructs counties to deposit these funds into their respective county road funds designated for transportation purposes. This requirement essentially requires counties to follow the guidelines associated with gas tax money made available to counties under the Proposition 111 Gas Tax Subvention. These guidelines specify the type of street rehabilitation projects that are eligible for this funding source. Thus, the projects proposed by DPW comply with those guidelines.

In order to minimize the possibility of lost funds, DPW examined all of its transportation projects contained in its 2-Year Plan to see which roadway projects had obtained full utility compliance as required by the City's Excavation Ordinance and thus could meet the aggressive June 30, 2002 deadline. DPW's most recent 2-Year Plan is attached for your convenience.

ROADWAY PROJECTS THAT SUPPORT TRANSIT

After reviewing its list of projects that could meet the June 30, 2002 expenditure deadline, DPW reviewed roadway projects that also supported high-volume Muni bus routes. Based on this analysis, DPW prioritized the Clement St. and Geary Boulevard Roadway Rehabilitation Project and the Geary Boulevard and Anza St. Resurfacing Project. However, as described below, DPW chose to delete the Geary Boulevard and Anza St. Resurfacing Project from its proposed list when its geographic equity criterion was applied.

Since DPW is aware that the 3rd St. Light Rail Project, located in Supervisorial Districts 6 and 10, is both the TA's and Muni's highest-priority transportation capital project, DPW proposed its 3rd St. Roadway Reconstruction and Paving Project – Design Phase. While the light rail project is funded substantially from the Proposition B Half-Cent Sales Tax Program, accompanying transportation infrastructure projects, such as street resurfacing, were not included. Thus, in consultation with the TA and Muni, DPW ranked this roadway design project as a high priority.

ADA COMPLIANCE AND PEDESTRIAN SAFETY PROJECTS

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In the past, DPW has had limited success in gaining discretionary General Fund money for pedestrian safety projects. To that end, DPW prioritized its pedestrian projects that would have the most positive impact for safety and accessibility for pedestrians, especially those pedestrians who use wheelchairs, for TCRF money. Currently, DPW is proposing three pedestrian projects: the Curb Ramp Construction Project; the Belden Alley Project; and, the Fourth Street Sidewalk Widening Project.

Curb Ramp Construction Project

DPW Order 169,270 outlines priorities for curb ramp installations. It is acknowledged that funding constraints prevent the full implementation of the policy. Those priorities are:

1) Existing curb ramps with unsafe conditions (e.g. too steep, too narrow or deteriorated).
2) No curb ramp at the location.
3) One curb ramp at the location when the federal Americans with Disability Act (ADA) and/or California Title 24 require two.
4) Major utility or other physical barrier.
5) General safe existing curb ramp that fails to meet some current standard such as color contrast or score lines.

N.B. Many locations fit into Priority 1 and 2 because of the conditions outlined by Priority 3.

A survey report completed by DPW's Geographic Information Services (GIS) staff in January 2001 reveal the following statistics in San Francisco:

6,600 intersections with pedestrian crossings
22,500 corners with pedestrian crossings
675 corners fall under Priority 1 (requiring 1,350 curb ramps to be built)
6,763 corners fall under Priority 2 (requiring 13,526 curb ramps to be built)

Over the last three (3) years, DPW has built approximately 2,500 curb ramps. Other Departments, such as DPT and Muni have funded curb ramps construction in conjunction with traffic signal and transit projects.

Many corners are still not accessible because most federal and state grants do not permit the reconstruction of existing curb ramps, even when there is a hazardous condition present. Most federal and state grants also preclude a new curb ramp being installed in a location that requires a sub-sidewalk abatement or utility relocation. These conditions exist throughout San Francisco but are often concentrated in the high use areas where access to service is essential. Overall, the need for curb ramps far exceeds the funding available to DPW.

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DPW also maintains a list of curb ramp constructions requested by citizens. Currently, the list is comprised of 350 locations. Most people who call are requesting one or two curb ramps to complete a route they need to use everyday, e.g., going to the grocery store, getting to the bus stop for work, to get to school, etc. Some people have been waiting as long as five years because the curb ramp they need built is located near a physical barrier, such as a utility vault that would need to relocated and is therefore ineligible for the federal or state funds that DPW has. Construction of these types of curb ramps alone could use all of the funding that DPW has programmed at this time. Thus, DPW has proposed the use of TCRF money for this project.

Belden Alley

DPW is the implementing agency of the Department of City Planning's Downtown Pedestrian Safety Improvement Projects, which were created in 1992. These projects are designed to improve pedestrian movement and safety in the downtown area, especially along busy sidewalks. There are a total of six defined projects:

Powell St. Cable Car Turnaround – completed in 1994
Ecker St. – completed in 1999
4th St. Sidewalk Widening – Phase I completed in 1999; Phase II to begin
Belden Alley – awaiting construction
Downtown Pedestrian Signage – Phase I awaiting construction; Phase II to be implemented once funding is secured
Fulton Mall – completing the design phase

Belden Alley is bounded by Pine on the north, Bush on the south, Montgomery on the east, and Kearny on the west in Supervisorial District 3. It is a narrow street in the City's downtown commercial core, is designated as a "destination alley" in the City's Downtown Streetscape Plan and is part of the Downtown Pedestrian Network. However, the sidewalks are currently substandard in width and do not conform to ADA standards. This project's scope of work encompasses raising the roadbed, including the concomitant drainage work, to the sidewalk level, thus, improving pedestrian safety, especially for pedestrians who use wheelchairs. In addition, this project would also provide an equity not currently enjoyed by Belden Alley patrons who use a wheelchair. Because of the difference in grades between the roadbed and sidewalk, a patron who uses a wheelchair will need to negotiate through the Alley to reach conveniences offered inside a building. By equalizing the grades, all patrons would have equal access.

The project also includes the installation of bollards along the street for the separation of pedestrian and vehicular traffic as mandated by state code. This will provide pedestrians with a safety zone when the street is open to vehicular traffic. By having the bollards clearly delineating a safe path of travel, pedestrians can quickly move behind the bollards when a driver wants to traverse the alley when it is open to traffic.

For these safety reasons, DPW prioritized Belden Alley for funding from FY 2000-01 TCRF.

Fourth Street Sidewalk Widening

This project is the first series of South of Market pedestrian improvements. The project is located on 4th Street between Market and Mission Streets in Supervisorial District 6.

As was mentioned previously, Phase I of the project, from Howard to Clara Sts., was completed in the summer of 1999. The City completed the work on the west side of 4th St. between these streets. Sony Metreon and the Moscone Project are funding sidewalk work along Fourth Street between Mission and Howard Sts., which is scheduled to be completed in 2003.

With respect to Phase II, the project is being funded with a combination of public and private funds. Pacific Resources is the private company (Old Navy and the Palomar Hotel) contributing $180,000 to Phase II. DPW was granted $440,000 in Proposition B funds and is seeking $650,000 in TCRF money to fully fund the project.

This project is a high priority because of safety and accessibility problems along Fourth Street related to the growing senior residential population and increased traffic due to the Yerba Buena Center project. This project includes a corner bulb at Mission St. that allows for a larger queuing area for pedestrians. The combination of wider sidewalks and a corner bulb will shorten crossing distances across 4th Street, thus improving pedestrian safety.

GEOGRAPHIC EQUITY

DPW used geographic equity as its final screening criterion. Based on the above projects, the Curb Ramp Construction Project has the most far-reaching capability in spreading improvements equitably across the City. DPW's Accessibility Coordinator, Susan Ferreyra, has established a list of prioritized requests from citizens for curb ramp construction.

With respect to its paving projects, when the geographic equity criterion was applied the Hyde/Buchanan/Fell Resurfacing Project proved to be a better candidate than the Anza and Geary Resurfacing Project. As a standard operating procedure, DPW prefers to package street resurfacing projects' contracts in such a way that the projects are relatively close in geographic proximity and in a way that would permit contractors to pave in "ribbons" (multiple blocks along a single street). This combination of proximity and multiple blocks along one street is attractive to contractors because they are not so spread out and the work is substantial enough to entice companies to place bids. Thus, the more attractive the work, the larger the number of bidders, and hopefully a more competitive price for the work.

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The Hyde/Buchanan/Fell Resurfacing Project allows the Department to spread paving improvements across the following Supervisorial Districts:

Hyde St. – from Fulton to California – Districts 3 & 6
Buchanan St. – from Clay to Sutter – Districts 2 & 5
Fell St. – from Steiner to Stanyan – Districts 1 & 5

Projects Not Funded

As has been stated repeatedly, the timely use of funds requirement remains the driving force for projects that DPW has proposed. In addition, the Prop 111 gas tax fund guidelines further specify eligible projects for TCRF money. DPW, like all City departments has a greater supply of needed projects than it has funding. A copy of DPW's 10-Year Transportation Capital Plan for FY 2000-01 is attached for your convenience that generally describes DPW's transportation projects.

If you have any further questions concerning the projects DPW is proposing being funded with TCRF money under this appropriation, please contact me at (415) 558-4506 or Ms. Tina Olson, Manager of Finance and Budget at (415) 554-4830.

Sincerely,

Theresa Burke

Theresa Burke
Transportation Finance Analyst

cc: Tina Olson, Finance & Budget

Attachments: The Impact of Excavation on San Francisco Streets
DPW's 2-Year Plan
DPW's Transportation Capital Plan – FY 2000-01 through FY 2009-10

Design and Construction Schedule for Paving Contracts 2000 - 2002

Job Order	Title	Advertised	Receipt of Bids	Award	Engineer's Estimate/ Contract Amount	NTP	Contract Duration	Paving Completed
1979N	Various Locations As-Needed Paving Judson - Edna to Detroit (done) Quartz - Amber to Torquoise (done) 45th - Cabrillo to Balboa (done) Victoria - Shields to Garfield (done) 47th - Geary to Anza Vallejo - Mason to End: West Ravenwood - Fernwood to Maywood Newhall - Kirkwood to 3rd Arkansas - 19th to 20th	Nov-17-1999	Dec-15-1999	Feb-23-2000	$1,188,340	Dec-1-2000	365	Apr-01
0056J	Various Locations Pavement Renovation #3 18 blocks at various locations	Feb-29-2000	Mar-29-2000	Apr-19-2000	$771,620	Jun-5-2000	45	Feb-01
1409N	Sutter St. Pavement Renovation Mason to Webster	Apr-8-2000	May-17-2000	Jun-28-2000	$581,830	Sep-11-2000	75	Feb-01
1735N	V/L Bayview District Track Removal Carroll - Ingalls to 3rd Egbert - Jennings to 3rd Ingerson - Giants to 3rd Jennings - Carroll to Egbert Keith - Carroll to Armstrong Sewer: Carroll - Jennings to Keith	Jul-22-2000	Aug-23-2000	Oct-23-2000	$947,295	Feb-13-2001	90	May-01
1407N	California St. Pavement Renovation STP#17 Franklin to Arguello	Aug-5-2000	Sep-13-2000	Nov-22-2000	$997,734	Apr-2-2001	90	Jul-01
0027J	Post St. Pavement Renovation Kearny to Larkin Sewer: Kearny to Grant	Aug-12-2000	Sep-20-2000	Nov-1-2000	$1,112,785	Feb-12-2001	80	May-01
1759N	Mission St. Pavement Renovation Phase II Silver to City Limits Sewer: Mission - Silver to Avalon, Excelsior to Santa Rosa; Geneva to Rolph	Aug-26-2000	Oct-4-2000	Nov-15-2000	$1,921,815	Feb-12-2001	120	Jun-01
1767N	Lake Merced Blvd. Pavement Renovation Phase I Winston to John Muir	Sep-12-2000	Nov-1-2000	Dec-27-2000	$3,328,747	Mar-01	180	Sep-01
2020N	Bryant St. Pavement Renovation & Sewer Replacement Bryant - Beale to Decatur Sewer: Bryant - 6th to 7th Harrison - 7th to 8th	Oct-7-2000	Nov-15-2000	Dec-27-2000	$1,264,714	Mar-01	140	Aug-01
1668N	Golden Gate Ave. Pavement Renovation Parker to Central Lyon to Divisadero Sewer: Leavenworth to Hyde DPT: conduit work at Jones	Dec-2-2000	Jan-2-2001	Mar-01	$934,208	May-01	60	Jul-01
0222J	St. Charles Bicycle Pathway & Traffic Signal Improvements DPT: conduit work at Bush	Mar-01	Apr-01	May-01	$0.7M	Jul-01	60	Sep-01
0338J	Ward St. P/R & Sewer Replacement Goettingen to Girard Sewer: Girard to Goettingen	Apr-01	May-01	Jun-01	N/A	Aug-01	90	Nov-01

Source: Department of Public Works

Design and Construction Schedule for Paving Contracts 2000 - 2002

Job Order	Title	Advertised	Receipt of Bids	Award	Engineer's Estimate/ Contract Amount	NTP	Contract Duration	Paving Completed
0060J	Anza St. Pavement Renovation Park Presidio to 48th DPT conduit work at 25th	May-01	Jun-01	Jul-01	$1.7M	Sep-01	150	Feb-02
0228J	Various Locations Pavement Renovation #4 So. Van Ness - 17th to 18th Coso -Coleridge to Prospect 24th - DeHaro to Rhode Island Downey - Frederick to Ashbury Mirabel - Coso to Shotwell Shotwell - Mirabel to Stoneman Grove - Broderick to Divisadero Idora - Laguna Honda to Garcia Sewer Coso - Mirabel to Lundy's Shotwell - Mirabel to Aztec	May-01	Jun-01	Jul-01	$1.5M	Sep-01	120	Jan-02
• 1667N	4th St. Sidewalk Widening Project, Phase II Market to Mission	Jun-01	Jul-01	Aug-01	$1.3M	Oct-01	180	Apr-02
• 0028J	Hyde St. Pavement Renovation & Sewer Replacement Fulton to California Sewer Golden Gate to Eddy, Sutter to Bush DPT. Fulton to California (conduit work)	Aug-01	Sep-01	Oct-01	$0.5M	Nov-01	150	May-02
• 0313J	Buchanan St. Pavement Renovation & Sewer Replacement Clay to Sutter Sewer. Pine to Sacramento DPT: conduit work at Bush	Aug-01	Sep-01	Oct-01	$0.5M	Nov-01	150	May-02
• 2021N	Fell St. Pavement Renovation Steiner to Stanyan	Aug-01	Sep-01	Oct-01	$1.0M	Nov-01	150	May-02
• 6618E	3rd Street Bridge Marginal Wharf Retrofit	Aug-01	Sep-01	Oct-01	$0.5M	Nov-01	150	May-02
2019N	Geary Blvd. Pavement Renovation Phase I Masonic To 10th Sewer: Cook to Spruce DPT: Masonic to 10th (conduit work), signal work @ 4th & 7th	Aug-01	Sep-01	Oct-01	$1.0M	Jan-02	90	Apr-02
• 0226J	Clement St. / Geary Blvd. Pavement Renovation Clement - 20th to 45th Geary - 28th to 39th Sewer: Clement - 22nd to 23rd, 26th to 27th Geary - 30th to 31th DPT: Clement - 20th to 45th; Geary - 28th to 39th (conduit work) SFWD. Clement - 24th to 32th	Aug-01	Sep-01	Oct-01	$2.3M	Jan-02	120	May-02
• 0004J	Belden Alley Pedestrian Improvements Pine to Bush	Sep-01	Oct-01	Nov-01	$0.3M	Jan-02	120	May-02
	Stockton St. Sidewalk Widening and P/R Market to Post	N/A	N/A	N/A	$1.5M	Jan-02	60	Apr-02
0241J	Kearny St. Pavement Renovation Market to Broadway, Vallejo to Filbert Sewer: Union to Filbert, Geary to Maiden, Sutter to Bush DPT: Market to Filbert (conduit work) SFWD: Geary to Columbus	Sep-01	Oct-01	Nov-01	$1.5M	Jan-02	90	Apr-02

Design and Construction Schedule for Paving Contracts 2000 - 2002

Job Order	Title	Advertised	Receipt of Bids	Award	Engineer's Estimate/ Contract Amount	NTP	Contract Duration	Paving Completed
0223J	Mission St. Pavement Renovation Phase III Steuart to 6th SFWD: Main to 6th	Sep-01	Oct-01	Nov-01	$1.5M	Jan-02	120	May-02
0224J	California / Sutter St. Pavement Renovation California - Drumm to Franklin Sutter - Market to Powell Sewer: Sutter - Montgomery to Grant SFWD: California - Jones to Leavenworth	Oct-01	Nov-01	Dec-01	$1.8M	Feb-02	120	Jun-02
0225J	Post St. Pavement Renovation Phase II Post - Larkin to Presidio SFWD: Larkin to Gough	Oct-01	Nov-01	Dec-01	$0.8M	Feb-02	90	May-02
0334J	26th St. Pavement Renovation Connecticut to Treat	Nov-01	Dec-01	Jan-02	N/A	Mar-02	180	Sep-02
0340J	Chestnut St. Pavement Renovation Van Ness to Richardson Sewer Fillmore to Steiner	Nov-01	Dec-01	Jan-02	$1.5M	Mar-02	90	Jun-02
0333J	Shotwell St./Treat Ave. P/R Shotwell - 14th to 22nd Treat - Bryant to Alameda, Harrison to End South	Dec-01	Jan-02	Feb-02	N/A	Apr-02	180	Oct-02
0022J	Geary / O'Farrell St. Pavement Renovation Geary - Kearny to Van Ness O'Farrell - Grant to Van Ness Sewer. Geary - Powell to Mason, Larkin to Polk O'Farrell - Leavenworth to Polk	Dec-01	Jan-02	Feb-02	$1.5M	Apr-02	120	Aug-02
0332J	Lake Merced Blvd. Pavement Renovation Phase II Skyline to Winston	Jan-02	Feb-02	Mar-02	N/A	May-02	120	Sep-02
0357J	Brannan St. Pavement Renovation Embarcadero to Division	Jan-02	Feb-02	Mar-02	$1.32M	May-02	120	Sep-02
0358J	Various Locations Pavement Renovation #5 17th - Belvedere to Cole Cityview - Skyview to Panorama Garcia - Idora to Vasquez Lundy's - Fair to Virginia Winfield - Cortland to Eugenia Sewer: Cityview - Skyview to Knollview Winfield - Cortland to Eugenia	Feb-02	Mar-02	Apr-02	N/A	Jun-02	120	Oct-02
0365J	Taraval St. Pavement Renovation 15th to 48th	Feb-02	Mar-02	Apr-02	$2.2M	Jun-02	150	Nov-02
...J	Mission St. Pavement Renovation Phase IV 6th to 13th	Sep-02	Oct-02	Nov-02	$1.5M	Jan-03	150	Jul-03

* Projects with State Funds to be expended by June, 2002

Item 2 – 01-0221

Department: Health Services System (HSS)
Department of Human Resources (DHR)

Item: Resolution establishing the monthly contribution amount to be made to the Health Service Trust Fund by the City and County of San Francisco, the San Francisco Unified School District, and the San Francisco Community College District for Fiscal Year 2001-2002.

Description: The proposed resolution would establish the dollar amount of the employer's contribution to be made to the Health Service Trust Fund by the City and County of San Francisco (City), the San Francisco Unified School District (SFUSD), and the San Francisco Community College District (SFCCD) for FY 2001-2002.

The Health Services Board and the City and County Health Services System, as required by Charter Sections A8.423 and A8.428, have surveyed the ten most populous counties in the State, excluding San Francisco, to determine the average dollar contribution made by these counties toward each employee's medical care insurance, excluding dental and optical care insurance.

In accordance with the Charter, this resolution would establish the FY 2001-2002 monthly contribution rate for health care insurance to be paid by the City, the SFUSD, and the SFCCD, at $213.93 per month ($2,567.16 annually) for each eligible, active employee, based on the survey results of the average payment made by the ten most populous counties in California (excluding San Francisco) as shown in the following table of most to least populous county:

County	Average Contributed Monthly Amount
Los Angeles	$230.53
San Diego	168.26
Orange	287.37
Santa Clara	208.44
San Bernadino	208.84
Riverside	201.74
Alameda	191.53
Sacramento	227.92
Contra Costa	191.31
Fresno	223.32
Total	$2,139.26
Average	$213.93

According to HSS, the ten-county survey for FY 2001-2002 indicates that the average employer contribution of the ten most populous counties in California (excluding San Francisco) is $213.93 per month ($2,567.16 annually) per employee, excluding dental and optical care insurance. The City's current FY 2000-2001 contribution is $192.23 monthly ($2,306.76 annually) per employee. The proposed resolution would establish $213.93 as the monthly per employee contribution to be made in FY 2001-2002 by the City, SFUSD, and SFCCD for the health insurance costs of their employees. The proposed monthly rate of $213.93 ($2,567.16 annually) for FY 2001-2002 represents an increase of $21.70 per month or approximately 11.3 percent from the $192.23 monthly rate currently contributed in FY 2000-2001.

Comments:

1. The proposed 11.3 percent increase exceeds the 6.3 percent increase from FY 1999-2000 to FY 2000-2001 and is the most substantial proposed increase in the monthly contribution since FY 1991-1992 when it was 14.4 percent. During the last decade, the annual survey of the other counties has indicated average contributions that increased minimally in most years and even decreased in FY 1995-1996 and FY 1996-1997. According to Mr. Bart Duncan of HSS, the significant proposed increase for FY 2001-2002 reflects the rising cost of health care coverage.

2. As previously noted, the City's contribution for health care coverage in FY 2001-2002 is equal to the average

contribution of the ten most populous counties in California, excluding San Francisco, as determined by an HSS survey taken in January 2001. Given that the surveyed counties may subsequently increase or decrease their actual contributions for FY 2001-2002, San Francisco's contribution may, in fact, be greater or less than the actual average contributions to be provided by the ten counties in FY 2001-2002. However, because HSS is required by the Charter to collect the comparative data in January of each year, HSS is not able to set its FY 2001-2002 rates based on the final FY 2001-2002 rates of the other ten surveyed counties.

Recommendation: Approve the proposed resolution.

Item 3 - File 01-0315

Department:	Department of Public Health (DPH)
Item:	Ordinance appropriating $1,203,219 of Emergency Medical Services Appropriation (EMSA) funds, to provide emergency physician services to indigent persons, to the Department of Public Health for Fiscal Year 2000-2001.
Amount:	$1,203,219
Source of Funds:	Proposition 99 Tobacco Tax funds
Description:	The State Department of Health Services established the California Healthcare for Indigents Program (CHIP) in 1989 to provide counties with funds to pay for medical services for indigent persons who are ineligible for other private or public health care programs. CHIP is funded by Proposition 99 Tobacco Tax money. The counties use CHIP funds to reimburse (a) participating County and non-County hospitals for uncompensated inpatient, outpatient, and emergency services provided to indigent persons, and (b) participating private physicians and dentists for uncompensated emergency, obstetric, pediatric, and dental services provided to indigent persons.

The State has provided the City with Proposition 99 Tobacco Tax funds for CHIP since 1989. In FY 2000-2001, the State allocated the City $4,826,945, or $511,070 more than the $4,315,875 allocated in FY 1999-2000. This subject appropriation of $1,203,219 supplements the previously allocated FY 2000-2001 funding of $4,826,945 to $6,030,164, an increase of approximately 24.9 percent. This supplement will provide the City with additional monies needed to pay for emergency services provided by private physicians and dentists to indigent San Francisco residents who cannot afford to pay for such services. These funds are administered by DPH which is responsible for the local CHIP Physician Program.

Proposed Expenditure of Subject Appropriation: The subject appropriation of $1,203,219 would be expended as follows:

Expenditure Category FY 2000-2001	Budget
Funding for emergency services provided by private physicians and dentists to indigent residents of San Francisco	$1,082,897
Lifemark Corporation fiscal intermediary services to administer expenditure of CHIP funds (see Comment No. 4)	120,322
TOTAL:	$1,203,219

Comments:

1. DPH administers the local CHIP Physician Program which pays for emergency, obstetric, pediatric, and dental services[1] delivered to indigent San Francisco residents. Many of these services are provided to indigent persons by emergency room physicians at six hospitals including California Pacific Medical Center, Chinese Hospital, Davies Medical Center, St. Francis Hospital, St. Luke's Hospital, and St. Mary's Hospital. With increased diversion from SFGH's emergency room, these private hospitals have been seeing increasing numbers of indigent patients.

2. As noted above, since 1989 the CHIP Physician Program has received State funding from Proposition 99 Tobacco Tax revenues. However, over the past several years the State has been redirecting Proposition 99 Tobacco Tax revenues to other programs, thereby substantially reducing such funding for the CHIP Physician Program. As a result, by FY 1999-2000 the CHIP Physician Program pay-out ratio for claims from private physician and dental providers had dropped to between 20 to 25 percent of the physicians' and dentists' charges. According to Mr. Jeffrey Leong of DPH, some physicians and the majority of dentists have left the CHIP

[1] The CHIP Physician Program provides free dental care to children who receive physical health examinations through the Child Health and Disability Prevention Program. Due to CHIP Physician Program rate reductions, private San Francisco dentists have left the program, thereby increasing referrals to the City's dental clinics which are nearing capacity.

Physician Program because of the low reimbursement rates. Since low CHIP Physician Program reimbursement rates for indigent care provided by private emergency room physicians and dentists is a State-wide problem, the State Legislature passed Senate Bill 2132 which became law on September 28, 2000, appropriating additional Proposition 99 Tobacco Tax funding for the CHIP Physician Program.

3. The subject appropriation, which would allocate an additional $1,082,897 to be used to reimburse private physicians and dentists, would allow the CHIP Physician Program to pay private physicians and dentists at a level closer to 50 percent of their charges (instead of the previously paid reimbursements of between 20 to 25 percent), the maximum allowable under the program. According to Mr. Leong, the $1,082,897 in reimbursement funding would be paid not only to private physicians and dentists working in the six hospitals listed above, but also to other private physicians and dentists enrolled in the CHIP Physician Program who provided obstetric, pediatric, and dental services to indigent San Francisco residents. The $1,082,897 in funds would be used for direct payments to private physicians and dentists. Once DPH is able to offer these higher reimbursements, DPH intends to reenroll private physician and dentist providers who had left the CHIP Physician Program, and to recruit new physician and dentist providers into the Program.

4. The State permits up to 10 percent of the subject appropriation to be used to pay for administrative costs. Therefore, $120,322, or the maximum 10 percent allowable of the subject appropriation, would be allocated to DPH's existing professional services contract with the Lifemark Corporation to process medical claims for reimbursement from private hospitals and physicians. Mr. Leong states that this contract was originally awarded to Medicus Systems Corporation under a Request for Proposals issued in May 28, 1993. Through subseouent mergers, Medicus Systems Corporation became the Lifemark Corporation. The contract has been regularly renewed since that initial award. The subject appropriation of $120,322 to the Lifemark Corporation would:

(a) Provide the Lifemark Corporation with an additional $19,279 to pay for FY 2000-2001 claims processing in addition to the $139,797 for FY 2000-2001 already allocated to Lifemark Corporation for claims processing under its existing professional services contract.

(b) Replace the existing allocation of $101,043 for the Lifemark Corporation contained in the CHIP Other County Health Services Subaccount with $101,043 from the CHIP Emergency Medical Services Appropriation (EMSA) Program. Although both the CHIP Other County Health Services Subaccount and the EMSA Program are funded by Proposition 99 Tobacco Tax monies, the allocation of CHIP Other County Health Services funds is discretionary whereas the allocation of EMSA funds is limited to reimbursement to private physicians and dentists. Therefore, Mr. Leong states that the EMSA Program, instead of the CHIP Other County Health Services Subaccount, is the appropriate source to pay for the administrative costs of the CHIP Physician Program claims processed by the Lifemark Corporation. The proposed transfer would assign $101,043 of the costs of Lifemark Corporation claims processing to the EMSA Program, while releasing $101,043 to the discretionary CHIP Other County Health Services Subaccount.

Recommendation: Approve the proposed ordinance.

Item 4 - File 00-2187

Note: This item was continued to the Call of the Chair by the Finance Committee at its meeting of February 7, 2001.

Department: Department of Public Health (DPH)

Item: Resolution authorizing the Director of Public Health and the Purchaser to execute a contract between the City and County of San Francisco and Health Advocates, LLP to provide uncompensated care recovery services.

Contract Term: March 1, 2001 through December 31, 2002 (approximately 22 months).

Description: Uncompensated care recovery services include the assistance to complete Supplemental Security Income (SSI) and Medi-Cal eligibility applications on behalf of DPH patients, and representation and legal assistance for patients in SSI fair hearings and appeals, for the purpose of collecting unpaid inpatient hospital bills for DPH services that are provided to indigent patients. The proposed resolution would authorize DPH to enter into a contract with Health Advocates, LLP (HA), a private contractor, to provide an uncompensated care recovery program.

The DPH issued a Request for Proposals (RFP) in September of 2000, and received the following two bids in response to its RFP: (1) Health Advocates, LLP for $1,180,000 each contract year and, (2) Paralign for $1,090,000 each contract year. Attachment I, provided by Ms. Monique Zmuda from the DPH, indicates that the bid amounts were based on estimated annual revenue of $6,000,000, which has since been reduced to $5,800,000. Ms. Zmuda further advises in Attachment I that HA reduced its bid by $90,000 to $1,090,000 each contract year, the same amount bid by Paralign, after negotiations with the DPH. According to Ms. Zmuda, HA was selected based on the DPH's evaluation of the established criteria, which awards points based on recent relevant experience, the scope of work to be performed, the quality of past projects and cost. Ms. Zmuda states that the DPH also required the bidder to provide these services by multi-lingual and multi-cultural staff. Ms. Zmuda further states that the DPH also built in additional services into the scope of work, including following up on treatment

authorization requests, and incurring the cost of re-billing for services provided, once the clients have been made eligible for Medi-Cal.

According to Ms. Zmuda, the DPH has contracted out uncompensated care recovery services since 1988 to help supplement in-house efforts on uncompensated care recovery services. Ms. Zmuda advises that San Francisco General Hospital (SFGH) has an internal staff of ten Hospital Eligibility Workers to assist SFGH patients in identifying financial resources to pay for inpatient hospitalization for which no source of funding is currently available. Eligibility determination, which is provided by DPH personnel, and authorized by the City's Department of Human Services, typically includes assistance in applying for Medi-Cal or SSI, and making appropriate third-party claims. The contractor will handle those cases which the internal DPH eligibility workers have deemed "unreimburseable," usually involving former inpatients who have been discharged form SFGH. These uncompensated care services include identifying financial resources to pay for the care provided, field work on behalf of indigent patients, such as visits to homeless shelters; assistance in obtaining further medical treatments or evaluations, as necessary; efforts to locate former inpatients whose addresses are not known, and patient advocacy and representation in appealing denials of benefits to administrative agencies.

Based on a prior year actual recovery from contracting this service, Ms. Zmuda advises that the DPH was paid approximately $5,800,000 a year, or approximately $483,333 a month from making indigent patients eligible for third-party payment. The DPH anticipates the same level of annual reimbursement to be made under the proposed contract period.

The proposed subject contract would only pay the contractor a percentage of the revenues actually collected, on behalf of the City, according to the following schedule:

Cumulative Revenues Generated Each Contract Year			Contingency Fees Paid to the Contractor
$0	to$1,999,999	NET	20 percent
$2 million	to$2,999,999	NET	18 percent
$3 million	and above	NET	16 percent

"NET" is used to describe the actual cash received by SFGH as opposed to any unique program determinations of allowable amounts and the deduction of contractual allowances. In accordance with the contract provisions, HA would be paid a varying fee by the DPH based on the percentage of the revenues collected by the contractor.

Comments:

1. As indicated above, the proposed contract would extend for the 22-month period from March 1, 2001 through December 31, 2002. According to Ms. Zmuda, DPH expects to realize approximately $10,633,333 in additional revenues under this 22-month contract, with the contractor to be paid an estimated $1,884,667, or an overall average of 17.72 percent of the revenue collected, for net estimated revenues to the City of $8,748,667 for the term of the 22-month contract. Attachment II, provided by DPH, highlights the estimated revenue and contingency fees associated with the subject contract agreement. As mentioned above, the actual contingency fees paid to HA will depend on the revenue realized during the contract period.

2. The proposed subject resolution authorizes the Director of Public Health and the Purchaser to make amendments to the subject contract, if needed. According to Ms. Zmuda, this is a standard provision in all of the DPH's contracts, which allows the DPH to make minor changes, such as including an additional scope of work requirement or extending a contract for a few months while an RFP is in process, but not change the intent of the original contract.

3. On January 31, 2000 the Human Rights Commission (HRC) issued a report to the Finance Committee pertaining to the Department of Public Health (DPH) Request for Proposal Process #17-2000: Uncompensated

Care Recovery Services (Attachment III). The HRC concluded:

"There was a general consensus among the panelists that Health Advocates submitted a superior proposal. In addition, DPH conducted a well organized and documented RFP process. However, ... it is extremely important to avoid even the appearance of bias in these procurements. In this regard, HRC believes that there were several flaws in the process.

First, none of the panel members should have had any recent dealings with either proposer. Second, the partial reference checks of only one proposer should not have been given to the panelists. If reference checks were shared with the panelists at all, then full and complete checks for both the panelists should have been included. Finally, the letter of recommendation from the domestic partner of the CFO (of the DPH's Community Health Network) should not have been included in Health Advocate's proposal. Whether or not Health Advocates knew of the relationship, the sender must certainly have been aware of the conflict of interest and should have refrained.

There is no evidence to show that these flaws influenced the outcome of the evaluation process in any significant way. However, HRC believes that the most equitable resolution to this RFP would be to convene another panel to reassess the two previously submitted proposals, removing the letter from the CFO's domestic partner from that of Health Advocates."

4. At the Finance Committee Meeting on February 7, 2001, the DPH agreed to follow the suggestions in the HRC report to (1) convene a new panel to review the proposals from Health Advocates and Paralign; (2) remove the letter of recommendation from the domestic partner of the CFO of the DPH's Community Health Network from the Health Advocates' proposal; and, (3) not conduct reference checks as part of the scoring of the two proposals by the new panel. According to Ms. Zmuda, the DPH convened a new panel on February 13, 2000 to review the two proposals. The new panel consisted of the

Tax Collector's Director of the Bureau of Delinquent Revenue Collection, the Billing Director of the Community Mental Health Services and DPH Mental Health Plan, the Admitting and Eligibility Manager for San Francisco General Hospital and the Director of Patient Financial Services and Admissions for Laguna Honda Hospital. Ms. Zmuda advises that in addition to the members of the panel cited above, the review panel included an HRC Analyst as an observer. Ms. Zmuda further advises that the panel reviewed the two proposals and Health Advocates' proposal received a score of 76.81 points or 18.56 more points than Paralign, which received 58.25 points (see Attachment IV, provided by the DPH, for the rating results). Therefore, the Health Commission has recommended that the contract be awarded to Health Advocates. Ms. Zmuda advises that Paralign appealed the panel's decision on February 21, 2001, claiming that there was a violation of the bidding and selection process guidelines. According to Ms. Zmuda, the DPH denied Paralign's appeal on February 28, 2001, finding no violation of the DPH's bidding and selection process guidelines.

5. Page one, line sixteen of the proposed resolution incorrectly states the contract period is, "for the period of March 1, 2001 through December 31, 2002." Since the commencement date of March 1, 2001 has now passed, the proposed resolution should now state that the contract period is "for the period beginning with the date of contract certification through December 31, 2002." Therefore, the proposed resolution should be amended to reflect the new contract period.

Recommendations:

1. Amend the proposed resolution to correct page one, line sixteen of the subject resolution, which states "for the period of March 1, 2001 through December 31, 2002," to read, "for the period beginning with the date of contract certification through December 31, 2002," in accordance with Comment 5 above.

2. Approve the proposed resolution, as amended.

Attachment I

City and County of San Francisco

Department of Public Health

Mitchell H. Katz, M.D.
Director of Health

Date: December 20, 2000

Memo To: Harvey Rose
Budget Analyst

From: Monique Zmuda
Chief Financial Officer

Re: Proposed Contract with Health Advocates, LLP

This memo is in response to questions regarding the proposed contract with Health Advocates LLP, to provide uncompensated care recovery reimbursement services for the Community Health Network of the Department of Public Health.

The following summarizes the RFP Process:

Date RFP Issued: September 29, 2000
Selection Made: November 21, 2000

Number of Bidders: 2- Both profit-making private firms

Bid Amounts: Both firms were requested to bid on services for revenue recovery of $6 million annually. Although the bid from Health Advocates was $90,000 higher than the other qualified bidder, Health Advocates had a higher score, and thus was awarded the contract. In contract negotiations with Health Advocates, the Department was successful in securing a reduction equivalent to $90,000 in the contract rate for the services.

Attachment II

Uncompensated Care (Revenue) Recovery Services Contract

Vendor: Health Advocates		# Months	Annual Est. Revenue	Monthly Revenue	22-Month Est. Revenue
Contingency Fee		22	$5,800,000	$483,333	$10,633,333
20%	$0 through $1,999,999		$400,000		
18%	$2,000,000 through $2,999,000		$180,000		
16%	$3,000,000 and above		$448,000		
	Estimated Contingency Fee		$1,028,000	$85,667	$1,884,667
				Total Net Revenue to City	$8,748,667
				% of Total Estimated Revenue	17.72%

City and County of San Francisco

Willie Lewis Brown, Jr.
Mayor

Human Rights Commission
Contract Compliance
Dispute Resolution/Fair Housing
Minority/Women/Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Virginia M. Harmon
Interim Director

MEMORANDUM

Date: January 31st, 2001

To: Honorable Members of the Finance Committee

Through: Virginia Harmon
Interim Director, HRC

From: Diana Rathbone
Senior Contract Compliance Officer, HRC

Subject: Department of Public Health (DPH) Request for Proposal # 17-2000: Uncompensated Care Recovery Services

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At its regular meeting on January 17th, 2001, the Finance Committee of the Board of Supervisors asked the Human Rights Commission to look into the selection process for the above referenced contract and to ensure its impartiality.

This report is a response to that request. It includes a brief contract history, followed by a summary of normal selection procedures for professional services contracts. These procedures are then compared with those on this contract, with special reference to potential problem areas raised at the Finance Committee meeting.

BACKGROUND

In September, 2000, DPH issued a Request for Proposals (RFP) for uncompensated care recovery services. The purpose of this RFP was to hire a contractor to assist DPH in collecting unpaid inpatient hospital bills for services that are provided to indigent patients. Such services include, for example, completing Supplemental Security Income (SSI) and Medi-Cal eligibility applications on behalf of patients, and representing them at SSI fair hearings and appeals.

Two proposals were received in response to the RFP, one from the incumbent, Paralign, and the other from a new contractor called Health Advocates.

The proposals were rated by an expert panel and Health Advocates received the highest score. When Paralign was notified that it had not been selected, it filed an appeal with DPH, which DPH overruled. The Health Commission then voted to award the contract to Health Advocates at its meeting on December 12th, 2000 and, because the contract involves incoming revenues to

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the City in excess of $1 million, it was forwarded to the Board of Supervisors Finance Committee for its approval.

Paralign has filed an application for a temporary restraining order and a motion for a preliminary injunction in the United States District Court for Northern California. The court has agreed to continue the date of this motion until the Board of Supervisors awards the contract.

CONTRACT SELECTION PROCEDURES

The City has two distinct processes for the selection of contractors. They are variously described in Chapters 6 and 12D.A of the San Francisco Administrative Code.

Construction Contracts. Construction contracts are put out to bid and the contract is awarded to the lowest responsible and responsive bidder.

Professional Services Contracts. Professional services contracts are awarded using an RFP process. The aim of the RFP is to select the company which will provide the highest level of service (i.e., which proposer will design the most beautiful and functional hospital; which proposer will provide accounting services in the most efficient and timely manner; which proposer will create the most user friendly and reliable computer software program).

On many professional services contracts, particularly, architecture and engineering contracts, the quality of the work being proposed is the over-riding factor and, in those cases, fees are submitted, if they are submitted at all, in a separate, sealed envelope. In this way, the department has a starting point for cost negotiations with the successful contractor, but the panel is not influenced by questions of money.

On other contracts, as in the one before you, price may be an issue, and in these cases, it will be evaluated along with all other aspects of the proposal. However, price will never be the determining factor. If it were the determining factor, there would be no need to issue an RFP and the contract would be awarded to the lowest bidder, as if it were a construction contract.

Although every effort is made to keep the RFP process as objective as possible, it is, compared to the bidding process used for construction contracts, a more subjective approach. Therefore, every effort has to be made to document and to ensure the fairness of the selection procedures at each stage of the process, and to eliminate any possible suggestion of bias.

A TYPICAL SELECTION PROCESS.

RFP. The first step is for the department to issue an RFP. It should spell out exactly what the department is looking for, including clearly defined minimum qualifications and the types of information that should be included in the proposal. The RFP should also contain specific evaluation criteria, with predetermined points assigned to each criteria, so that proposers will understand how they are going to be scored.

On a typical contract, if points are assigned to the price, these points will be assessed using a predetermined formula based on the lowest price.

Preproposal Meeting and Questions. A pre-proposal meeting is held to answer the questions of potential proposers. Minutes are taken and are then distributed to all potential proposers, both those present at the meeting and those who have expressed interest in the RFP but who are not at the meeting. In addition, answers to any phone questions provided by the department to any interested proposer are provided by mail to all interested proposers.

Panel. The department selects a panel, normally composed of three or more members, to evaluate the proposals. Panelists must possess appropriate expertise to evaluate the contract in question and the panel as a whole must reflect the ethnic and gender diversity of San Francisco. HRC strongly recommends that at least one panel member be recruited from outside the department, and one from outside the City, to ensure impartiality. However, this is not a requirement.

No panel members should be involved in the preparation of the RFP in question, or in the planned future management of the contract. Additionally, no panel members should have a previous professional or personal relationship with any of the proposers.

Panel Orientation. The panel will normally receive an orientation prior to commencing its work. The point of the orientation is to answer any questions the panelists may have, and to provide rules to ensure an equitable process. For example, it is inappropriate for any panel member to attempt to influence the score of another panel member, to indicate by body language during an oral interview an opinion of the presentation in progress, to score a written proposal on anything other than the information contained within the proposal, or to give an oral interview of one hour, with one set of questions, to one proposer, and ten minutes, with a completely different set of questions, to another.

Scoring Written Proposals.

Once the proposals have been received, a copy of each one is sent to the panelists, after which, a meeting is normally convened to score the written proposals. The HRC's Rules and Regulations, pursuant to Chapter 12.D.A of the San Francisco Administrative Code (the Minority, Woman and Locally Owned Business (M/W/LBE) Ordinance) encourage departments to prohibit any discussion at all among panelists, other than for points of clarification and follow up, allowing each panelist to score each proposal and interview according to his or her individual assessment. However, this is not a requirement.

Oral Interviews.

Once the proposals have been evaluated, the department usually creates a shortlist of the top scorers, and these firms are then invited to an oral interview in front of the same panelists. All proposers should be asked the same questions, each interview should be scored according to

predetermined evaluation criteria and points and all interviews should take the same amount of time. Again, HRC discourages discussion among the panelists, other than for points of clarification and follow up, but this is not a requirement.

Negotiations and Contract Award.

At the conclusion of the selection process, the department enters into discussions with the firm which submitted the highest rated proposal. At this point, everything in the proposal, including the price, is open to negotiation.

Once those negotiations are successfully completed, the contract is ready for award. If the negotiations break down, the department will open negotiations with the second highest scorer, and so on, until it has a successful contractor.

QUESTIONS ABOUT THE PROCESS USED IN THIS RFP

General.

DPH, for the most part, followed the procedures outlined above. It is perhaps worth noting that, during the evaluation of the written proposals, the panel was allowed to discuss the responses to each of the evaluation criteria, prior to scoring that criteria according to the predetermined points. Notes were kept of these discussions, and these were later typed up and sent to each panel member for review. While HRC prefers that no discussion take place, such a practice is not prohibited, and there is nothing in either the notes or the scores to suggest anything other than a fair, thoughtful and unbiased evaluation. To the contrary, panel members report that it was an extremely formal selection process.

It is DPH's practice to assign the selection process to a contract administrator. The contract manager, the person who will be in charge of the contract once it is awarded, is not involved in the development of the RFP other than to advise on the selection of panel members and to be present at the panel evaluations to answer technical questions.

DPH decided not to conduct oral interviews.

References. Paralign's proposal included very few letters of recommendation, in comparison with that of Health Advocates. During the panel evaluation of the written proposals, the contract manager asked the contract administrator if she could share the results of Paralign's reference checks in an effort to bolster the information in Paralign's proposal. Permission was granted. At that point, the contract manager had not completed Paralign's reference checks, and had not started on those of Health Advocates.

The Paralign references were mixed, certainly more mixed than any letter a proposer would opt to include in a proposal. On the other hand, all but one of the panel members, although they remember the incident, do not feel that it effected their scoring one way or the other. They were

more influenced by the proposal itself. The other panel member felt it had increased an already negative assessment of Paralign's performance under this criteria.

No information was given to the panel regarding the outcome of Health Advocate's references, because they had not yet been checked.

Bias.

It is obviously extremely important that no panelists and no department staff involved in the RFP process should have any investment in its outcome that could bias the proceedings. For example, it is important in a contract such as this one that none of the panelists should have previously worked with the incumbent. However, two of the five panelists have had ongoing professional dealings with the incumbent in the performance of its current contract.

In addition, the contract manager, as well as her supervisor, the Chief Financial Officer (CFO) of DPH's Community Health network, had an existing relationship with one or other of the proposers. The CFO's domestic partner used to work for Health Advocates, and her letter of recommendation was one of those included in Health Advocate's proposal. The CFO is also close friends with several Paralign employees. For these reasons, when he was asked to serve on the panel, the CFO recused himself. However, as the contract manager's supervisor, it was also his job to review and sign off on all the RFP documents once the process was complete, the highest scorer determined and the letters of notification ready to be issued. The CFO did not recuse himself from this task and signed the document.

It seems clear that the CFO, in order to avoid even the appearance of bias, should have recused himself from the entire process, including lending his signature to the final RFP approval. However, because his role was so minor, and occurred post selection, it seems clear that his signature could not have influenced the outcome of the process itself. Additionally, none of the panel members knew the name of the CFO's domestic partner, and therefore could not have been influenced by the presence of this letter in Health Advocate's proposal.

The contract manager is the second person with an apparent conflict of interest. She was hired in July, 2000, two months before this RFP was issued, and part of her assignment was to work with the incumbent in the execution of its current contract. In addition, in a previous employment, she had hired Health Advocates to perform similar services to those requested in this RFP. Lastly, although she was not on the panel, she selected all but one of the panel members and she was present while the proposals were being scored as a technical advisor. It was in this role that she shared the partial references with the panel members.

The panel members say that the contract administrator played the most important role during their deliberations, giving them all of their instructions. They agree that the contract manager sat silently, apart from reading the references and answering one or two questions. There is therefore no evidence, except for reading the references, that she influenced their discussions in any way.

Finance Committee, Board of Supervisors
January 31st, 2001

Bilingual Staff. This is not really an issue of procedure. The RFP required as a minimum qualification that proposers must be able to "demonstrate that they have adequate staff "on board" as of the time of its bid, who are bilingual," that they have access to interpreters, and that "both on and off site staff demographics reflect the ethnically diverse patient population served by DPH." Panel members and DPH staff are satisfied that both proposals met these requirements. After reviewing the proposals, HRC concurs with this opinion.

Price Negotiations. It was entirely normal and acceptable procedure for DPH to include the price submitted with the proposal in its negotiations with Health Advocates.
At that point Paralign, because it had a lower score, was, out of the picture, and had been notified in writing to that effect. It would have been highly unfair to allow Paralign to modify its proposal in any way after the completion of a selection process in which it was the loser, with the idea of allowing it to get back into the competition. Only if negotiations were unsuccessful with the highest scorer could DPH have entered into negotiations with Paralign.

CONCLUSION

There was general consensus among the panelists that Health Advocates submitted a superior proposal. In addition, DPH conducted a well organized and documented RFP process. However, as mentioned above, it is extremely important to avoid even the appearance of bias in these procurements. In this regard, HRC believes that there were several flaws in the process.

First, none of the panel members should have had any recent dealings with either proposer. Second, the partial reference checks of only one proposer should not have been given to the panelists. If reference checks were shared with the panelists at all, then full and complete checks for both the panelists should have been included. Finally, the letter of recommendation from the domestic partner of the CFO should not have been included in Health Advocate's proposal. Whether or not Health Advocates knew of the relationship, the sender must certainly have been aware of the conflict of interest and should have refrained.

There is no evidence to show that these flaws influenced the outcome of the evaluation process in any significant way. However, HRC believes that the most equitable resolution to this RFP would be to convene another panel to reassess the two previously submitted proposals, removing the letter from the CFO's domestic partner from that of Health Advocates.

Attachment IV

RFP EVALUATION - PROFESSIONAL SERVICES

DATE: 13-Feb-01

RFP #: 17-2000 Uncompensated Care Recovery Services

COMPOSITE EVALUATION SCORES

SCREENING CRITERIA: SCREENING TO BE COMPLETED BY PROGRAM & OCMC STAFF

a) Completion of all required forms #1-6 & Sections A-I

b) Ability to meet the minimum qualifications

PASS/FAIL SCORE:	Pass X	Pass X	Pass	Pass

FOR THOSE WHO HAVE BEEN DETERMINED TO HAVE MET THE SCREENING CRITERIA ABOVE, OFFERS WILL BE RATED BY THE EVALUATION PANELISTS PER THE FOLLOWING EVALUATION CRITERIA

PROPOSALS SCORED

	Reviewer	Health Advocates		Paralign					
SCOPE OF WORK: 15 PTS									
0 - POOR	*R1*	8		6					
1 - 5 MARGINAL	*R2*	11		10					
6 - 10 ACCEPTABLE	*R3*	10		9					
11 - 15 EXCEEDS	*R4*	11		7					
	R5		AVG		AVG		AVG		AVG
			10.00		8.00		0.00		0.00
RECENT RELEVANT EXPERIENCE: 20 PTS									
0 - POOR	*R1*	12		7					
1 - 6 MARGINAL	*R2*	15		12					
7 - 13 ACCEPTABLE	*R3*	14		7					
14 - 20 EXCEEDS	*R4*	14		8					
	R5		AVG		AVG		AVG		AVG
			13.75		8.50		0.00		0.00
PROFESSIONAL BACKGROUND: 15 PTS									
0 - POOR	*R1*	10		7					
1 - 5 MARGINAL	*R2*	11		8					
0 ACCEPTABLE	*R3*	10		7					
11 - 15 EXCEEDS	*R4*	11		7					
	R5		AVG		AVG		AVG		AVG
			10.50		7.25				
QUALITY OF PAST PROJECTS: 25 PTS									
0 - POOR	*R1*	17		9					
1 - 8 MARGINAL	*R2*	20		10					
9 - 17 ACCEPTABLE	*R3*	18		9					
18 - 25 EXCEEDS	*R4*	20		10					
	R5								
			AVG		AVG		AVG		AVG
			18.75		9.50		0.00		0.00

THE REMAINING SCORING WILL BE COMPLETED BY OCMC

RATE/TOTAL COST: 25 PTS.

ENTER BID RATE: See attached

FORMULA: ASSIGN MAXIMUM POINTS TO THE LOWEST BID RATE. FOR ALL OTHER RATES, DIVIDE EACH RATE INTO THE LOWEST RATE AND THEN MULTIPLY "X"% TIMES MAXIMUM POINT.

ENTER BID RATE:		23.81		25.00				
INTERVIEW POINTS		0.00		0.00		0.00		0.00
SUBTOTAL:		76.81		58.25		0.00		0.00
MBE/WBE CERTIFICATION NUMBER:								
YES or NO; IF YES, ENTER NUMBER:	no		no					
BID PREFERENCE - FOR PROFIT ONLY:	%		%		%		%	
10% MBE or WBE (51% & above)	0	0.00	0%	0.00	0%	0.00	0	0.00
5% LBE	0	0.00	0	0.00	0	0.00	0	0.00
5% JV w/ LBE only or MBE/WBE less 35%	0	0.00	0	0.00	0	0.00	0	0.00
% JV w/ MBE or WBE = or exceeds 35%, less 40%	0	0.00	0	0.00	0	0.00	0	0.00
7.5% JV w/ LBE/MBE or WBE = or exceeds 40% but less 51%	0	0.00	0	0.00	0	0.00	0	0.00
10% JV w/ MBE or WBE = or exceeds 51%	0	0.00	0	0.00	0	0.00	0	0.00
TOTALS:		76.81		58.25		0.00		0.00

TOTAL P.02

Item 5 - File 01-0204

Department: Division of Real Estate (DRE)
Public Library

Item: Resolution authorizing a new lease of real property at 45 Leland Avenue for the Visitacion Branch Public Library.

Location: 45 Leland Avenue, San Francisco

Purpose of Lease: To permit the City to lease approximately 2,300 square feet of the building at 45 Leland Avenue for continued use as the Visitacion Branch Public Library.

Lessor: Mr. Gary Chen

Lessee: City and County of San Francisco

No. of Sq. Ft. and Cost Per Month: Approximately 2,300 square feet at $3,105 per month ($1.35 per square foot). The base rental rate is annually adjustable in accordance with the Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area. However, according to the subject lease provisions, the base rent would be adjusted each year by not less than 3 percent nor more than 6 percent.

Rental Cost as Increase Over Prior Month-to-month Lease: The monthly base rent would be $3,105 ($1.35 per square foot), or $37,260 annually. The monthly rent of $3,105 is $1,052 more than the current month-to-month rental charge of $2,053, representing an increase of approximately 51.2 percent.

An additional rental charge of approximately $580.85 per month (approximately $0.25 per square foot) is payable over the three-year term of the lease by the City to amortize the estimated cost of tenant improvements (see Comment No. 3). According to Ms. Claudine Venegas of DRE, the base cost of the tenant improvements are not to exceed $18,000 over the three-year term of the lease. However, under the lease, the City would pay the Lessor's

interest costs to finance the improvements at 10 percent, resulting in an estimated total cost of $20,911.

Utilities and Janitorial Services: To be paid for by the City.

Term of Lease: Three years, commencing upon approval by the Board of Supervisors and substantial completion of leasehold improvements[1], and expiring in approximately March of 2004. In the interim, the City would continue to pay the current month-to-month rental rate of $2,053.

Right of Renewal: Under the subject lease, there are month-to-month holdover provisions which could apply after the lease expires. The City would have the option to continue as a month-to-month tenant until such time as the Landlord terminates the tenancy with at least 30 days prior written notice of termination. The month-to-month rent payable would be at the monthly rent in effect during the last month of the lease, or at a rental rate mutually agreed between the DRE and the Landlord. In accordance with Administrative Code Section 23.26, such a mutually agreed rental rate could be approved by the Director of Property without Board of Supervisors approval so long as the monthly rent remains less than $5,000.

Source of Funds: Proposition E Public Library funding.

Description: The subject lease would authorize the City to enter into a new lease for approximately 2,300 square feet at 45 Leland Avenue for the Visitiacion Branch Public Library.

Comments: 1. Ms. Venegas states that the City had a five-year lease for 45 Leland Avenue with the prior Lessor, Mr. Kenneth Chung, from March of 1993 until February of 1998. In February of 1998, the monthly rental rate was $2,053 (approximately $0.89 per square foot).

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[1] According to Section 6.1(c) of the proposed lease, "The Leasehold improvement Work shall be deemed to be "substantially completed" for purposes of this Lease when the Leasehold Improvement shall have been sufficiently completed and City, through its Director of Property, shall have approved the Leasehold Improvements. City may, at its option, approve the Leasehold Improvements even though there may remain minor details that would not interfere with City's use. Landlord shall diligently pursue to completion all minor details."

2. According to Ms. Venegas, the Public Library has leased 45 Leland Avenue under a month-to-month rental agreement with Mr. Chung since March of 1998 because the subject property was not compliant with the Americans With Disabilities Act (ADA) and Mr. Chung was unprepared to meet the costs of ADA improvements. According to Mr. Michael Cohen of the City Attorney's Office, the City Attorney's Office advises City departments against entering into lease terms of more than one month for properties which are not ADA compliant. Until such time as the City can confirm that a building is fully compliant with disability access laws, month-to-month leases protect the City against liability, according to Mr. Cohen. The City's month-to-month rental agreement for 45 Leland Avenue has continued at the monthly rental rate of $2,053 under the present Lessor, Mr. Chen, who purchased the property in June of 2000. Since that time, the month-to-month rent of $2,053 has remained the same while the DRE was negotiating the proposed lease, according to Ms. Venegas.

3. The subject lease provides for tenant improvements to be constructed by the landlord at a cost not to exceed $18,000 which includes (a) an estimated $7,500 for an electrical system upgrade to provide power for computers, and (b) an estimated $10,000 for a new ADA compliant restroom. As explained above, this would increase the City's rent by approximately $580.85 per month to amortize the construction costs to the Landlord of up to $18,000, plus 10 percent interest costs. Should the actual cost of construction be less than $18,000, the amortized monthly payment would be adjusted to reflect the lower amount.

4. In addition, at no cost to the City, the Lessor would be required to complete (a) improvements to the front entrance to meet building code requirements, and (b) repairs to the roof, plaster walls, rear wall, and painted interior surfaces, as itemized in Section 6.1 of the subject lease.

5. Ms. Venegas states that the proposed rental rate, which would result in an approximately 51.2 percent increase over the existing rental rate, represents fair market value.

Recommendation: Approve the proposed resolution.

Item 6 – File 00-2104

Item: Ordinance directing the Director of Property to create an inventory of City property that may be appropriate for temporary and occasional use by nonprofit arts and cultural organizations.

Description: The proposed ordinance would direct the Director of Property to create an inventory of spaces within City and City-controlled (leased) facilities that may be appropriate for nonprofit arts and cultural organizations to use for rehearsals, performances, exhibitions or short-term ancillary administrative purposes. Such space would include multi-use common spaces, such as meeting rooms, reception areas, or similar spaces to be identified. The proposed ordinance states: "It is intended that the Director of Property take an extremely broad view of the types of spaces that may be made valuable for a wide array of artistic and cultural disciplines, including but not limited to: visual arts, dance, theater, music, literary arts, or new genre/multimedia." In addition, the ordinance makes clear that departments would not be expected to allow nonprofit organizations access to spaces that contain confidential or sensitive material.

The proposed ordinance would require the director of each City department with jurisdiction over facilities in the City to assist the Director of Property in preparing the inventory of space by providing all information requested by the Director of Property within 90 days of that request. The subject ordinance outlines some of the information that would be requested of departments, includes information about lighting, audio-visual equipment, ceiling height and schedules for when space would be available. The inventory would also include the department's estimate of the City's actual cost of making the space available, including security, technical services or janitorial services.

The Director of Property would be requested to provide a copy of the completed inventory to the

Board of Supervisors as soon as possible after collecting relevant information from City departments. City departments that have jurisdiction over a large number of facilities, such as the Port, Recreation and Parks Department, the Airport, and the Public Utilities Commission, may submit their inventory of space directly to the Board of Supervisors, and provide a copy of that inventory to the Director of Property.

The Budget Analyst notes that the subject ordinance only requires the Director of Property to create an inventory of property. The sponsor of the subject ordinance plans to introduce subsequent legislation to establish a program that would actually make the space outlined in the inventory available to arts organizations.

The proposed ordinance also urges the San Francisco Unified School District and the Community College Board to participate in this inventory process by providing relevant information regarding their facilities to the Director of Property.

Estimated Costs:

The Attachment to this report, provided by Mr. Anthony DeLucchi, the Director of Property, outlines the steps the Real Estate Division would need to take in order to provide the Board of Supervisors with the inventory of property required under the subject ordinance. As stated in the Attachment, Mr. DeLucchi estimates that researching and compiling the inventory would cost the Real Estate Division approximately $8,000 to $16,000 in staff time and materials, including $5,000 to $10,000 to design a survey to send to City departments and collect resulting data and $3,000 to $6,000 to compile the date into a final inventory report. Mr. DeLucchi advises that the actual time and funds required to complete the proposed inventory would depend entirely on the number and type of responses received from other City departments. Mr. Delucchi advises that any additional costs resulting from creating the

proposed inventory of City property would be absorbed in the department's existing budget.

Comments:

1. As noted previously, the subject ordinance only requires the Director of Property to create an inventory of property. Subsequent legislation would create the program and outline the logistics of actually making the space available to organizations. However, the subject ordinance does state that, in order to provide financial relief to such nonprofit organizations, "the City would make such space available at no more than the City's actual cost."

2. The Budget Analyst notes that any program designed to provide City space to nonprofit organizations would need to take into account a variety of issues, including possible liability to the City and the need to create a permit process that would determine how to allocate space to organizations interested in using City space, whether to require a cleaning/damage deposit from organizations and how to calculate the full cost to the City of providing such space to ensure that the City would be fully reimbursed. Mr. DeLucchi estimates that if the Division of Real Estate were charged with overseeing such a permit process, ongoing costs for the preparation, processing and management of permits would be a minimum of approximately $10,000 per year in staff time and materials, depending upon the number and scope of such permits, as stated in the Attachment. Mr. Delucchi does not anticipate that the Real Estate Division would request additional funds to cover such additional costs. However, should the program to provide City space to nonprofit organizations be larger than previously expected, the Real Estate Division would reconsider the need to request additional funds, according to Mr. Delucchi.

Recommendation: Approve the proposed ordinance.

City and County of San Francisco

Real Estate Division
Administrative Services Department

February 28, 2001

Harvey Rose
Budget Analyst
1390 Market Street, Room 1025
San Francisco, CA 94102

Re: **Proposed Ordinance Requiring the Director of Property to Create an Inventory of City Property that may be Appropriate for Temporary and Occasional Use by Nonprofit Arts and Cultural Organizations**

Dear Mr. Rose:

As requested by Ms. Emily Newman of your office, I am providing an estimate of time and costs that would be incurred by the Real Estate Division to comply with the intent of the subject Ordinance. The following steps would be required to carry out the provisions of this Ordinance:

- Prepare a survey form for completion by City departments relative to the property under their jurisdiction. Instructions should have sufficient detail that City departments would be able to inventory and separate properties that would be available for continuing, periodic use, or occasional use: Preparation of this survey form would require approximately 20-40 hours of Real Estate Division staff time.

- Contact City departments with follow-up reminders during the 90-day response time. It is estimated each reminder would take approximately 4-8 hours of staff time.

- Report preparation would be entirely dependent upon the number and type of responses received from other City departments. The final report could require only a few hours; but if a substantial and varied number of responses were received, staff time could mushroom into one or more weeks.

- Assist City departments in compiling their occupancy costs.

- In consultation with the City Attorney's Office, prepare a Use Permit.

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(415) 554-9850
FAX: (415) 552-9216

Office of the Director of Property
25 Van Ness Avenue, Suite 400

San Francisco, 94102

- At a minimum, nonprofits should be required to provide proof of insurance, pay a deposit and pay their pro-rata occupancy cost. A system would need to be set up for collection of fees. Staff time to prepare and process these permits could be as short as a few hours to a week+ for complex use of City facilities.

- It is estimated that the cost of the initial start up would be approximately:

  $5,000 to $10,000 (survey & collect data)
  <u>$3,000 to $ 6,000</u> (report preparation)
  $8,000 to $16,000

- After initial start-up, ongoing costs for preparation, processing, and management of the permits would be dependent upon the number and scope of such permits, but a minimum would be approximately $10,000 per year.

Sincerely,

Anthony J. DeLucchi
Director of Property

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Items 8 and 9 – Files 01-0370 and 01-0371

Department: Aging and Adult Services

Items: File 01-0370: Supplemental Appropriation in the amount of $2,000,000 for senior program needs ($1,000,000) and infrastructure needs ($1,000,000); amending the Annual Salary Ordinance to create two new positions.

File 01-0371: Ordinance amending the FY 2000-2001 Annual Salary Ordinance reflecting the creation of two new positions in the Aging and Adult Services Department.

Amount: $2,000,000

Source of Funds:

General Fund Reserve	$1,439,000
Surplus FY 2000-01 Parking Tax[1]	
Revenue for Senior Programs	561,000
Total	$2,000,000

New Positions: The proposed supplemental appropriation and Annual Salary Ordinance Amendment would create the following new positions:

No. of FTE Positions	Classification	Title	Step 1 (Biweekly-Annual)	Step 5 (Biweekly-Annual)
2	4230N	Estate Investigator	$1,778 $46,228	$2,194 $57,044

Description: As explained in the attached memorandum from Mr. John Clark, Acting Deputy Executive Director for the Department of Aging and Adult Services, the proposed supplemental appropriation would be a project appropriation, and any unexpended funds at the

[1] Under Article 9, Section 615 of the Administrative Code, one third of all Parking Tax collections is dedicated to Senior Citizen's Programs. The Controller's Six Month Budget Status Report, issued on February 7, 2001 projected increased Parking Tax collections of approximately $1.7 million during FY 2000-2001. Therefore, the Controller has certified the availability of $561,000 for Senior Citizen's Programs, as shown in the Source of Funds table above.

completion of the current, 2000-2001 Fiscal Year, would be carried forward for expenditure during FY 2001-2002.

A total of $1,000,000 would be used to addressed identified Senior needs, including the following:

- Funding non-profit, community based service providers based on a Request-for-Proposal (RFP) competitive process with special emphasis on joint collaborations between agencies, specific performance measures, and proposals serving groups with multiple needs. Expenditures are expected to total $552,504 for this purpose.

- Funding unmet internal department needs, principally additional rent and moving costs related to the relocation of all operations to 1650 Mission Street and personal computers for Conservatorship Services employees in the amount of $300,000.

- Funding to meet the need for more diversity in programs serving San Francisco veterans. The remaining funds would pay for two new positions to perform additional veteran's counseling services as City staff; one position would focus on the needs in the Filipino-American Community, and the other position would assist the Russian-American Community. Expenditures would total approximately $142,496 for salaries and fringe benefits for 12 months and $5,000 for two personal computers and related equipment for these two positions.

In addition to the $1,000,000 for identified Senior Needs described above, the proposed supplemental appropriation would also provide for the expenditure of $1,000,000 for "Infrastructure Needs", defined as "ongoing costs of the non-profit contractors who perform these services for the City necessary to maintain existing service levels, including employee salary increases, increase[s] in rent, utilities and insurance, and replacement of worn-out equipment and vehicles".

According to Mr. Clark, all expenditures from the $1,000,000 allocation to the infrastructure needs of non-profit contractors would be allocated by the Department

of Adult and Aging Services based on an evaluation of specific proposals prepared by such non-profit contractors. The evaluation criteria that would be employed by the Department of Adult and Aging Services of such proposals would include the following:

1. Program expense increases (e.g., gas, supplies, printing, raw materials, etc.)
2. Rent/utility cost increases
3. Technology replacement/upgrades (e.g., Personal Computers)
4. Capital Expenditures (e.g., building modifications, equipment, etc.)
5. Personnel-related costs: "wage-push" adjustments due to the Minimum Compensation Ordinance, salary enhancements.
6. Training Costs for service provider staff.

Comments:

1. As noted above, the proposed supplemental appropriation would be a project appropriation if approved, and any unexpended funds at the completion of the current, 2000-2001 Fiscal Year, would be carried forward for expenditure during FY 2001-2002. After all of the requested $2,000,000 is expended, funding for such expenditures, including funding for the two new positions, would cease unless additional funds are appropriated for the same purpose. The proposed two new 4230 Estate Investigator positions are designated 'N' for new positions. However, because the positions would be funded by the project appropriation, the positions should be designated 'L' for Limited Duration positions. Therefore, the two positions would be terminated once the source of project funding is expended unless additional funds are appropriated.

2. The Department of Adult and Aging Services is unable to provide full budget details for the $852,504 in non-personnel related services for identified Senior needs and $1,000,000 for infrastructure needs for non-profit contractors as separate RFP processes and competitive

proposals have not been conducted by the Department. If the Board of Supervisors wishes to consider the specific allocation of such funds to non-profit contractors, such funding should be reserved pending completion of the RFP and proposal processes and request a release of the reserved funds at the time the Department is able to provide budget details.

3. The original FY 2000-2001 Adult and Aging Services budget as approved by the Board of Supervisors and the Mayor totals approximately $25.6 million. Of that amount, approximately $10.3 million is funded from Parking Taxes, $5.36 million is from Federal and State grants and subventions dedicated to senior programs, $2.57 million from departmental revenues and $5.37 million from General Fund support. As noted above, increased Parking Tax collections projected for FY 2000-2001 results in an additional $561,000 for Senior programs. Also, the Controller, the Mayor and the Budget Analyst are currently projecting that FY 2001-2002 Parking Tax revenue growth would provide increased funds for Senior programs in the amount of an additional $1,000,000.

As stated in the attached memorandum, the Board of Supervisors could consider an alternative policy decision to fund the proposed $2,000,000 in services and infrastructure needs from the following sources of funds:

General Fund Reserve	$ 439,000
Surplus FY 2000-2001 Parking Tax Revenue	561,000
New FY 2001-2002 Parking Tax Revenue	1,000,000
Total	$2,000,000

In order to implement the policy option to fund the $2,000,000 in services and infrastructure needs from the alternative sources identified above, the Board of Supervisors could approve the proposed supplemental appropriation to the FY 2000-2001 budget in the reduced amount of $1,000,000 ($439,000 from the General Fund reserve and $561,000 from Surplus FY 2000-2001 Parking Tax Revenue) and adopt a separate resolution urging the Department of Adult and Aging Services and the Mayor to

fund the remaining $1,000,000 in services and infrastructure needs from incremental Parking Tax revenue in the FY 2001-2002 budget.

Recommendation:

1. Amend the proposed supplemental appropriation (File 01-0370) and the ordinance amending the Annual Salary Ordinance (File 01-0371) to change the designation for the two new positions from 'N' for New to 'L' for Limited Duration.

2. The proposed supplemental appropriation and ordinance amending the Annual Salary Ordinance are policy matters for the Board of Supervisors.

for Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

City and County of San Francisco

DEPARTMENT OF AGING AND ADULT SERVICES
Mayor Willie L. Brown, Jr.
Dr. Sandra Y. Nathan, Executive Director

Commission on the Aging
Mental Health Conservator
Public Administrator-Public Guardian

MEMORANDUM

TO: KEN BRUCE, Budget Analyst

FROM: JOHN CLARK, Acting Deputy Executive Director

DATE: MARCH 1, 2001

RE: SUPPLEMENTAL APPROPRIATION REQUEST FOR SENIOR PROGRAMS AND RELATED INFRASTRUCTURE (FILE 01-0370)

As you are aware, the population of San Francisco is aging rapidly. Along with the aging of our population comes an increase in the number of San Franciscans who require the assistance of various City agencies and non-governmental organizations to meet their daily needs. The Department of Aging and Adult Services' Commission on the Aging Division has surveyed residents, providers, health care organizations and others to determine the level of unmet needs in our community.

The consensus of this research is that a considerable number of elderly San Franciscans are unable to access needed services. To combat this problem, staff, Commissioners and providers held a number of meetings to consider alternatives. Out of this process emerged a consensus that additional funds were needed for both infrastructure and ongoing unmet needs.

Ongoing Unmet Needs

As noted above, research indicates a significant number of San Francisco seniors are unable to receive sufficient assistance in a number of functional areas. Three prominent examples are housing counseling, to deal with issues such as evictions; expansion of home-delivered meal programs; providing enhanced veterans benefit counseling and paratransit services. With the exception of an adjustment of direct costs attributable to the Minimum Compensation Ordinance (MCO), programs serving the elderly have not received a funding increase in several years, despite the growth in the elderly population.

The proposed supplemental appropriation ordinance provides for $1,000,000 in additional funding for ongoing unmet service needs. If approved, the Department of Aging and Adult Services will allocate approximately $553,000 of these funds to non-profit, community-based service providers based on a Request-For-Proposal method with special emphasis on joint collaborations between agencies, specific performance measures, and proposals serving groups with multiple needs.

25 Van Ness Avenue, Suite 650, San Francisco, CA 94102
Principal Number (415) 864-6051 Fax Number (415) 864-3991

We would also use this portion of the supplemental to cover $300,000 of unmet internal department needs, principally additional rent and move costs relating to the relocation of operations to 1650 Mission Street, and the purchase of computers for the Office of Conservatorship Services, which presently has only four computers for 20 professional staff.

Lastly, to meet the need for more diversity in programs serving San Francisco veterans, the remaining "ongoing" funds will pay for two additional veteran's counselors on City staff: one focusing on needs in the Filipino-American Community, and the other assisting the Russian-American Community. The cost for these two additional counselors, including benefits, is about $147,000. The total then for ongoing unmet needs is $553,000+$300,000+$147,000=$1 million.

These funds, if approved, would be available in the next fiscal year.

Infrastructure Needs

Infrastructure needs are defined as "ongoing costs (of the non-profit contractors who perform these services for the City) necessary to maintain existing service levels, including employee salary increases, increase[s] in rent, utilities and insurance, and replacement of worn-out equipment and vehicles." To the extent that infrastructure needs are ignored, community-based organizations lose the ability to maintain current service levels. Infrastructure needs are also typically the "last in line" for both governmental and charitable funding, as these sources are often limited to program operations.

The proposed supplemental appropriation ordinance provides for $1,000,000 in additional funding for infrastructure needs. If approved, the Department of Aging and Adult Services will allocate all of these funds to existing contractors on a pro-rata basis, upon receipt of an acceptable project proposal from each contractor detailing how the funds are to be used, for the following purposes only:

1. Program expense increase (e.g., gas, supplies, printing, raw materials, etc.)
2. Rent/utility cost increase
3. Technology replacement/upgrades (e.g., PCs)
4. Capital Expenditures (e.g., building modifications, equipment, etc.)
5. Personnel-related costs: "wage-push" adjustments due to the Minimum Compensation Ordinance, salary enhancements.
6. Training Costs for service provider staff.

In granting these additional funds, the department will assign priority to proposals that fund one-time purchases (e.g., technology) as opposed to ongoing expenses (like salary increases). Contractors will also be advised that to the extent that they use these infrastructure funds to pay for ongoing cost increases (like salaries), they are responsible for funding ongoing incremental costs in future years from non-City funding sources. These infrastructure enhancement funds will be available, if approved, beginning in the current fiscal year.

Funding Sources

To lessen the impact on the General Fund, it would be our recommendation to pay for these increases primarily through growth in the Off-Street Parking Tax Fund. The Controller estimates that there will be about $561,000 in excess parking tax funds in the current fiscal year, and about $1,000,000 additional next year. Meeting Supervisor Daly's $2,000,000 target would then require only $439,000 in General Fund reserve.

I also note that this supplemental appropriation ordinance is structured as a continuing project, so that any unspent funds at the end of this fiscal year can be carried over into next year. This is necessary to allow for the carryover of unspent funds into FY 01-02 – we do not think it is possible to process all infrastructure requests and conclude the ongoing need RFP process before the end of this fiscal year. It would be our suggestion that the $1,000,000 in infrastructure funds be paid for through excess parking tax funds in this fiscal year, and General Fund reserve; while the $1,000,000 in ongoing unmet needs be funded through the anticipated increase in available parking tax funds next fiscal year.

Conclusion

The need for funding increases for programs serving the elderly and disabled adults is well documented. The Commission on the Aging and I believe that the attached proposed supplemental appropriation ordinance is a responsible approach that will address some of these unmet needs.

City and County of San Francisco

DEPARTMENT OF AGING AND ADULT SERVICES
Mayor Willie L. Brown, Jr.
Dr. Sandra Y. Nathan, Executive Director

Commission on the Aging
Mental Health Conservator
Public Administrator-Public Guardian

Supplemental Appropriations Ordinance
Position Detail
FY 01-02

(2) Classification 4230 Estate Investigator (Veteran's Counselor) @ $57,044	$114,088
Mandatory Fringe Benefits @ 24.9%	$ 28,408
Equipment (two Personal Computers) (one-time only)	$ 5,000
TOTAL	$147,496

25 Van Ness Avenue, Suite 650, San Francisco, CA 94102
Principal Number (415) 864-6051 Fax Number (415) 864-3991

City and County of San Francisco
Meeting Minutes
Finance Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

Wednesday, March 14, 2001 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 10:08 a.m.

002104 **[Inventory of City property]**

Supervisors Ammiano, Hall

Ordinance directing the Director of Property to create an inventory of City property that may be appropriate for temporary and occasional use by nonprofit arts and cultural organizations.

12/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

3/7/01, CONTINUED. Heard in Committee. Speakers: None.
Continued to 3/14/01.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anthony Delucchi, Director of Property, Real Estate Division, Administrative Services Department; Supervisor Ammiano.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010145 **[Sublease of Treasure Island Brig Facility for Sheriff's Department]**

Resolution approving a sublease, retroactive to July 1, 2000, between the City and County of San Francisco (The "City") and the Treasure Island Development Authority (The "Authority") for certain property on Treasure Island commonly known as the Brig (Buildings 670 and 671) located at the corner of 13th and M Streets on Treasure Island, for an annual rent not to exceed $250,000 per year. (Real Estate Department)

(Fiscal impact.)

(Supervisor Gonzalez dissenting in Committee.)

1/24/01, RECEIVED AND ASSIGNED to Finance Committee.

2/28/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Michael Hennessey, Sheriff; Jean Mariani, Chief Financial Officer, Sheriff's Department; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Anthony Delucchi, Director of Property, Real Estate Division, Administrative Services Department.
Continued to 3/14/01.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Michael Hennessey, Sheriff; Annemarie Conroy, Executive Director, Treasure Island Development Authority. Theodore Lakey, Deputy City Attorney. Continued to 3/21/01.

CONTINUED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010219 **[Reserved Funds, Police Department]**

Hearing to consider release of reserved funds, Police Department (fiscal year 1999-2000 budget), in the amount of $180,000.00 to fund the Department's Crisis Intervention Program. (Police Department)

2/2/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Helynna Brooke, Executive Director, Mental Health Board; Sergeant Michael Sullivan, Americans with Disabilities Act Coordinator, Police Department; Carolyn Kaufman, Program Director, Mobile Crisis Treatment Team, Community Mental Health Services, Department of Public Health.
Release of reserved funds in the amount of $180,000 approved.

APPROVED AND FILED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010355 **[Lease Amendment, 1650 Mission Street]**

Resolution authorizing an amendment to lease real property at 1650 Mission Street for the Department of Aging and Adult Services. (Real Estate Department)

(Fiscal impact.)

2/21/01, RECEIVED AND ASSIGNED to Finance Committee.

Speakers: None. Continued to 3/21/01.

CONTINUED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010203 **[Contracting out Facility Security Services]**

Resolution concurring with the Controller's certification that facility security services for the Municipal Transportation Agency can be practically performed by a private contractor at a lower cost than by City and County employees. (Public Transportation Commission)

2/14/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Gigi Harrington, Deputy General Manager, Finance and Administration, Municipal Railway.

RECOMMENDED.. by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010351 **[Grant to acquire compressed natural gas (CNG) light duty, high mileage vehicles for permitted airport operators]**

Supervisors Newsom, Leno

Resolution authorizing the Airport Commission to accept and expend a grant in the amount of $100,000 from the Bay Area Air Quality Management District (Air District) for acquisition of compressed natural gas (CNG) vans by Airport permittees. (Airport Commission)

2/21/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Cathy Widener, Government Affairs Administrator, Airport; Theodore Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010352 **[Grant to acquire compressed natural gas (CNG) light duty vehicles for permitted airport operators]**

Supervisors Newsom, Leno

Resolution authorizing the Airport Commission to accept and expend a grant in the amount of $99,000 from the Bay Area Air Quality Management District (Air District) for acquisition of compressed natural gas (CNG) autos and vans by Airport permittees. (Airport Commission)

2/21/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Cathy Widener, Government Affairs Administrator, Airport; Theodore Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010249 **[Government Funding, Department of Elections]**

Ordinance appropriating $2,538,692 from the General Fund Reserve to fund salaries, fringe benefits, other current expenses, materials and supplies, and equipment for the Department of Elections for fiscal year 2000-2001. (Controller)

(Fiscal impact.)

2/7/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Harvey Rose, Budget Analyst; Dr. Phillip Paris, Acting Director of Elections, Christiane Hayashi, Department of Elections; Edward Harrington, Controller; Bill Lee, City Administrator; Shelley Bradford-Bell; Chris Bowman, Citizens Advisory Committee on Elections; Gloria Lawrence, APRI.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

SPECIAL ORDER - 11:00 AM

010277 **[Solar Energy Bond]**

Supervisors Leno, Maxwell, McGoldrick, Peskin, Gonzalez, Newsom, Sandoval, Ammiano, Hall

Resolution urging the Controller, Mayor's Office of Public Finance, Department of the Environment, Public Utilities Commission and other applicable departments to assist in crafting a solar energy bond for consideration on the November 2001 ballot to provide funding for solar power technology to be used on San Francisco public buildings and land.

2/12/01, RECEIVED AND ASSIGNED to Public Health and Environment Committee. Sponsor requests that this item be scheduled for the March 14, 2001, meeting.

3/5/01, TRANSFERRED to Finance Committee.

Heard in Committee. Speakers: Francesca Vietor, Director, Department of the Environment; Supervisor Ammiano; Laurie Park, Acting General Manager, Hetch Hetchy Water and Power; Deirdre Appel, Project Engineer, Hetch Hetchy Water and Power; David Hochschild, Mayor's Office of Neighborhood Services; Lucien Canton, Director, Mayor's Office of Emergency Services; Greg Rosen, Powerlight Corporation; Kari Smith, Manager of Regulatory Affairs, Powerlight Corporation; Mark Lloyd; Bill Smith, General United Energy; Allison Brooks, Neighborhood Parks Council; Tim Colen; Adam Browning; Chris Giovinozzo, International Council for Local Environmental Initiative; Rafael Sperry; Adam Hochschild; Rosie Jencks, SPUR; Kark Knapp; Matt Goldberg; Donna Bero, Executive Director, Friends of Recreation and Parks; Kenneth Folan; Dan Berman; Milton Noguerra, Northern California Solar Energy Association; Aroza Simpson, Gray Panthers; Medea Benjamin, Green Party; Thomas Willeeke; Joel Kohn; Wally McQuat, President, HMH Resources.

Supervisor Ammiano added as co-sponsor.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting adjourned at 2:34 p.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 8, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: March 14, 2001 Finance Committee Meeting

Item 1 – File 00-2104

Note: This item was continued by the Finance Committee at its meeting of March 7, 2001.

Item: Ordinance directing the Director of Property to create an inventory of City property that may be appropriate for temporary and occasional use by nonprofit arts and cultural organizations.

Description: The proposed ordinance would direct the Director of Property to create an inventory of spaces within City and City-controlled (leased) facilities that may be appropriate for nonprofit arts and cultural organizations to use for rehearsals, performances, exhibitions or short-term ancillary administrative purposes. Such space would include multi-use common spaces, such as meeting rooms, reception areas, or similar spaces to be identified. The proposed ordinance states: "It is intended that the Director of Property take an extremely broad view of the types of spaces that may be made valuable for a wide array of artistic and cultural disciplines, including but not limited to: visual arts, dance, theater, music, literary arts, or new genre/multimedia." In addition, the ordinance makes clear that departments would not be expected to allow nonprofit organizations access to

spaces that contain confidential or sensitive material.

The proposed ordinance would require the director of each City department with jurisdiction over facilities in the City to assist the Director of Property in preparing the inventory of space by providing all information requested by the Director of Property within 90 days of that request. The subject ordinance outlines some of the information that would be requested of departments, includes information about lighting, audio-visual equipment, ceiling height and schedules for when space would be available. The inventory would also include the department's estimate of the City's actual cost of making the space available, including security, technical services or janitorial services.

The Director of Property would be requested to provide a copy of the completed inventory to the Board of Supervisors as soon as possible after collecting relevant information from City departments. City departments that have jurisdiction over a large number of facilities, such as the Port, Recreation and Parks Department, the Airport, and the Public Utilities Commission, may submit their inventory of space directly to the Board of Supervisors, and provide a copy of that inventory to the Director of Property.

The Budget Analyst notes that the subject ordinance only requires the Director of Property to create an inventory of property. The sponsor of the subject ordinance plans to introduce subsequent legislation to establish a program that would actually make the space outlined in the inventory available to arts organizations.

The proposed ordinance also urges the San Francisco Unified School District and the Community College Board to participate in this inventory process by providing relevant information regarding their facilities to the Director of Property.

Estimated Costs: The Attachment to this report, provided by Mr. Anthony DeLucchi, the Director of Property, outlines the steps the Real Estate Division would need to take in order to provide the Board of Supervisors with the inventory of property required under the subject ordinance. As stated in the Attachment, Mr. DeLucchi estimates that researching and compiling the inventory would cost the Real Estate Division approximately $8,000 to $16,000 in staff time and materials, including $5,000 to $10,000 to design a survey to send to City departments and collect resulting data and $3,000 to $6,000 to compile the data into a final inventory report. Mr. DeLucchi advises that the actual time and funds required to complete the proposed inventory would depend entirely on the number and type of responses received from other City departments. Mr. Delucchi advises that any additional costs resulting from creating the proposed inventory of City property would be absorbed in the department's existing budget.

Comments: 1. As noted previously, the subject ordinance only requires the Director of Property to create an inventory of property. Subsequent legislation would create the program and outline the logistics of actually making the space available to organizations. However, the subject ordinance does state that, in order to provide financial relief to such nonprofit organizations, "the City would make such space available at no more than the City's actual cost."

2. The Budget Analyst notes that any program designed to provide City space to nonprofit organizations would need to take into account a variety of issues, including possible liability to the City and the need to create a permit process that would determine how to allocate space to organizations interested in using City space, whether to require a cleaning/damage deposit from organizations and how to calculate the full cost to the City of providing such space to ensure that the City would be fully reimbursed. Mr. DeLucchi estimates that if the Division of Real Estate were

charged with overseeing such a use permit process, ongoing costs for the preparation, processing and management of permits would be a minimum of approximately $10,000 per year in staff time and materials, depending upon the number and scope of such permits, as stated in the Attachment. Mr. Delucchi does not anticipate that the Real Estate Division would request additional funds to cover such additional costs. However, should the program to provide City space to nonprofit organizations be larger than previously expected, the Real Estate Division would reconsider the need to request additional funds, according to Mr. Delucchi.

Recommendation: Approve the proposed ordinance.

City and County of San Francisco

Real Estate Division
Administrative Services Department

February 28, 2001

Harvey Rose
Budget Analyst
1390 Market Street, Room 1025
San Francisco, CA 94102

Re: Proposed Ordinance Requiring the Director of Property to Create an Inventory of City Property that may be Appropriate for Temporary and Occasional Use by Nonprofit Arts and Cultural Organizations

Dear Mr. Rose:

As requested by Ms. Emily Newman of your office, I am providing an estimate of time and costs that would be incurred by the Real Estate Division to comply with the intent of the subject Ordinance. The following steps would be required to carry out the provisions of this Ordinance:

- Prepare a survey form for completion by City departments relative to the property under their jurisdiction. Instructions should have sufficient detail that City departments would be able to inventory and separate properties that would be available for continuing, periodic use, or occasional use: Preparation of this survey form would require approximately 20-40 hours of Real Estate Division staff time.

- Contact City departments with follow-up reminders during the 90-day response time. It is estimated each reminder would take approximately 4-8 hours of staff time.

- Report preparation would be entirely dependent upon the number and type of responses received from other City departments. The final report could require only a few hours; but if a substantial and varied number of responses were received, staff time could mushroom into one or more weeks.

- Assist City departments in compiling their occupancy costs.

- In consultation with the City Attorney's Office, prepare a Use Permit.

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(415) 554-9850
FAX: (415) 552-9216

Office of the Director of Property
25 Van Ness Avenue, Suite 400

San Francisco, 94102

- At a minimum, nonprofits should be required to provide proof of insurance, pay a deposit and pay their pro-rata occupancy cost. A system would need to be set up for collection of fees. Staff time to prepare and process these permits could be as short as a few hours to a week+ for complex use of City facilities.

- It is estimated that the cost of the initial start up would be approximately:

  $5,000 to $10,000 (survey & collect data)
  $3,000 to $ 6,000 (report preparation)
  $8,000 to $16,000

- After initial start-up, ongoing costs for preparation, processing, and management of the permits would be dependent upon the number and scope of such permits, but a minimum would be approximately $10,000 per year.

Sincerely,

Anthony J. Dellucchi
Director of Property

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Item 2 - File 01-0145

Note: This item was continued by the Finance Committee at its meeting of February 28, 2001.

Department: Sheriff's Department
Treasure Island Development Authority

Item: Resolution approving a sublease, retroactive to July 1, 2000, between the City and the Treasure Island Development Authority for property on Treasure Island commonly known as the Treasure Island Naval Brig, or jail, (Buildings 670 & 671), located at the Corner of 13th and M Streets on Treasure Island, for an annual rent not to exceed $250,000 per year.

Location: Treasure Island Brig facility (Buildings 670 & 671), located at the Corner of 13th and M Streets

Purpose of Sublease: Under the proposed sublease, the Sheriff's Department would use the Treasure Island Naval Brig for training and, in the case of an emergency, overflow jail facilities.

Lessor: U.S. Navy (Master Lease)

Lessee: Treasure Island Development Authority

Sublessee: Sheriff's Department

Term of Sublease: Commencing retroactively to July 1, 2000 and terminating on May 15, 2005, for a sublease term of four years and eleven months (See Comment No. 1). Under the proposed sublease, the Sheriff's Department would have three options for using the Naval Brig ("the Brig") facility:

1) The Sheriff's Department would be authorized to use the Brig facility for a total of 90 days per fiscal year for Deputy Sheriff training purposes;

2) Additionally, upon written notice of an emergency to the Treasure Island Development Authority, the Sheriff's Department would be able to use the Brig facility during an emergency to house approximately 100 nonviolent prisoners during the duration of the emergency.[1] Under the proposed sublease, the Sheriff's

[1] The proposed lease defines "emergency" as "...any situation or condition in the City and County of San Francisco which creates a widespread threat to life, property, or the welfare of the City and County of San Francisco or its citizens as determined by the Mayor."

Department would not be charged additional rent by the Treasure Island Development Authority for such emergency use of the Brig facility;

3) The Sheriff's Department may request permission from the Treasure Island Development Authority to use the Brig facility during non-emergencies to: (a) temporarily house approximately 100 nonviolent prisoners, or (b) use the facility for any use, such as longer-term housing of inmates, approved in writing by the Executive Director of the Treasure Island Development Authority. The Sheriff's Department would be required to make such requests at least 30 days prior to the date the Sheriff's Department would like to begin using the facility. According to Mr. Stephen Proud of the Treasure Island Development Authority, before granting permission for such non-emergency use of the Brig facility, the Treasure Island Development Authority would have the option to negotiate an amended lease including an increased rent with the Sheriff's Department if the Sheriff's Department proposed using the facility for an extended period of time. Such a lease amendment and any related additional funds would be subject to approval by the Board of Supervisors. The subject sublease states that the Treasure Island Development Authority "...shall not unreasonably withhold permission to use the Premises during such non-emergency and/or non-Permitted Use Period."

Right of Renewal: None

Number of Square Feet: Approximately 2.25 acres (98,010 square feet), including approximately 28,163 square feet for the Brig building. The balance of 69,847 square feet (98,010 less 28,163) would be used by the Sheriff's Department for secured prisoner outdoor recreation and parking.

Rent and Other Costs Payable to the Treasure Island Authority by the Sheriff's Department: $250,000 per year, paid annually in advance of July 1st for each fiscal year during the four-year and eleven-month term of the lease. In addition to the $250,000 annual rent, the City will be required to pay to Treasure Island Development Authority additional fees of $19,620 per year, including:

(1) The City will pay for the Common Area Maintenance Charge (Navy CAM Charge) fee charged by the Navy to the Treasure Island Development Authority under the Master Lease. Under the proposed sublease, the Sheriff's Department would be required to pay $900 per month, or $10,800 annually, to the Treasure Island Development Authority for the CAM Charge.[2]

(2) The City will pay to the Treasure Island Development Authority a monthly Landscaping Charge of $735, for a total annual charge of $8,820.

Therefore, the total annual charges to be paid by the Sheriff's Department to the Treasure Island Development Authority will be $269,620 ($250,000 in rent plus $19,620 in additional fees).

Ms. Jean Mariani of the Sheriff's Department advises that the Sheriff's Department will make Navy CAM and Landscaping payments monthly to the Treasure Island Development Authority, for the entire term of the sublease, whether the Sheriff's Department is using the facility or not. The proposed sublease contains no provisions for annual adjustments for the rent, the CAM or the Landscaping Charge.

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[2] According to Mr. Stephen Proud of the Treasure Island Development Authority, the CAM is based on $0.025 per square foot per month for the 28,163 interior space of the Brig building and $0.003 per square foot per month for the 69,847 exterior space, totaling $913.62 per month. However, the proposed sublease states that the Navy CAM charge is not to exceed $900 per month. Therefore the Sheriff's Department would be required to pay to the Treasure Island Development Authority $900 per month, or $10,800 annually.

Source of Funds: Ms. Mariani advises that the Sheriff's Department's Fiscal Year 2000-2001 General Fund budget includes $269,620 to fund the $250,000 in rent and $19,620 in additional fees discussed above, which the Sheriff's Department must pay to the Treasure Island Development Authority for Fiscal Year 2000-2001 (See Comment No. 4).

Utilities and Maintenance: Under the proposed sublease, the City would pay for all maintenance and utility costs at the Brig facility. Mr. Stephen Proud of the Treasure Island Development Authority advises that the City would be required to pay these costs, estimated at $92,000 annually, year round for the entire four years and eleven months of the sublease term. (See Comment No. 4 for all estimated costs.)

Description: On May 2, 1997, the Board of Supervisors authorized the creation of the Treasure Island Development Authority as a nonprofit public benefit corporation to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former United States Naval Station Treasure Island (Resolution No. 244-97-3). On October 12, 1997, the California Legislature approved the Treasure Island Conversion Act of 1997, which designated the Authority as a trustee of the State Tidelands Trust and as a redevelopment agency with jurisdiction over Treasure Island and Yerba Buena Island. The Treasure Island Development Authority currently leases from the Navy the Treasure Island Brig facility, discussed below, under a five-year Master Lease, which began on April 5, 1999 and will terminate on April 4, 2004. (See Comment No. 2 below).

The proposed resolution would authorize a sublease between the City and the Treasure Island Development Authority for the Sheriff's Department to use the Brig on Treasure Island. The Brig is a two-story, 28,163 square foot jail facility built by the Federal government in 1992. As described above, under the proposed sublease the Sheriff's Department would have authority to use the Brig facility, for: (1) 90 days of officer training; (2) to temporarily house prisoners during an emergency; and (3) to temporarily house prisoners during non-emergency

periods, or for any other use, as approved by the Executive Director of the Treasure Island Development Authority. According to Mr. Proud, before granting permission for such non-emergency use of the Brig facility, the Treasure Island Development Authority would have the option to negotiate an amended lease and increased rent with the Sheriff's Department if the Sheriff's Department proposed using the facility for an extended period of time, which would be subject to approval by the Board of Supervisors.

According to Ms. Mariani, the Sheriff's Department currently plans to use the Brig facility as a training facility and as a temporary emergency overflow jail. Ms. Mariani reports that the training to take place at the Brig would consist of an annual Advanced Officer course for all sworn employees working in City and County jails and a four- to seven-week introductory course for newly-hired officers. According to Ms. Mariani, the Sheriff's Department would use the Brig facility as a temporary overflow jail for emergencies such as large protests that result in mass arrests. Furthermore, Ms. Mariani advises that the Sheriff's Department does not have alternative vacant space for overflow housing of prisoners. In the past, when the Sheriff's Department has faced jail overcrowding, the Sheriff's Department has rented jail space from other jurisdictions, and when such space is not available, the Sheriff's Department has been forced to release prisoners from custody early, according to Ms. Mariani and as stated in Attachment I, provided by the Sheriff's Department.

Tenant Improvements:

The Fiscal Year 1997-98 budget, as finally approved by the Board of Supervisors, included a $2,100,000 General Fund reserve for the Treasure Island Brig project. The Sheriff's Department planned a project that would convert the Treasure Island Brig facility to a permanent jail facility that would house 140 prisoners in order to relieve jail overcrowding at County Jail No. 3 in San Bruno. Ms. Mariani advises that the Sheriff's Department was never able to operate the Treasure Island Brig as a full-time jail due to insufficient staffing (discussed further in Comment No. 6 below). Ms. Mariani advises that since 1997, the Sheriff's Department has expended a total of $1,099,409

in capital improvements, listed as construction costs in Attachment II, provided by the Sheriff's Department. In addition, Attachment III provided by the Sheriff's Department contains an explanation of these projects and the amount originally budgeted for these projects, totaling $1,380,000 or $280,591 less than the actual expenditures of $1,099,409 due to savings realized during construction, according to Ms. Mariani.

Comments:

1. According to Ms. Mariani, the proposed sublease will commence retroactively because the Sheriff's Department has been using the Brig since July 1, 2000 for training purposes. Ms. Mariani advises that the Sheriff's Department did not first obtain Board of Supervisors approval before using the Treasure Island Brig facility because the Sheriff's Department and the Treasure Island Development Authority were negotiating to finalize the sublease documents.

2. As noted previously, the Treasure Island Development Authority currently leases from the Navy the Treasure Island Brig facility under a five-year Master Lease, which began on April 5, 1999 and will terminate on April 4, 2004. The Budget Analyst notes that the term for the proposed sublease between the Sheriff's Department and the Treasure Island Development Authority would expire on May 15, 2005, more than one year past the expiration of the Master Lease with the Navy. Mr. Proud advises that the Treasure Island Development Authority expects to complete the transfer of ownership of the Naval Station on Treasure Island from the Navy to the Treasure Island Development Authority before the Master Lease the Treasure Island Development Authority holds with the Navy expires. According to Mr. Proud, in the event that such a transfer does not take place before the Master Lease expires, the Treasure Island Development Authority would seek an extension of the Master Lease with the Navy.

3. Ms. Mariani reports that, since 1997, the Sheriff's Department has expended a total of $2,335,311 at the Treasure Island Brig, including a total of $1,099,409 in construction costs and $1,235,902 in operational costs, as outlined in Attachment II, provided by the Sheriff's Department. Ms. Mariani advises that the total

$1,235,902 in operating costs, including the limited staffing, utilities and supplies required to support the construction improvements taking place. The total expenditure of $2,335,311 also includes $44,248 in operating costs since July 1, 2000 for Fiscal Year 2000-2001. According to Ms. Mariani, upon approval of the proposed sublease, the Sheriff's Department would also pay to the Treasure Island Development Authority the entire $250,000 in rent for FY 2000-2001, plus the $900 monthly Navy CAM fees and the $735 monthly Landscaping fees, discussed above, retroactive to July 1, 2000, for a approximate total one-time payment of $263,080 ($250,000 rent plus $7,200 for eight months of Navy CAM fees and $5,880 for eight months of Landscaping fees, for July of 2000 through February of 2001). Ms. Mariani advises that the Sheriff's Department has a total of $269,620 in the department's Fiscal Year 2000-2001 budget to cover this one-time payment of $263,080, as well as the $3,600 in Navy CAM fees and $2,940 for the remaining four months of Fiscal year 2000-2001 (March through June of 2001).

4. As shown in Attachment II, provided by the Sheriff's Department, annual cost to the Sheriff's Department for the proposed lease and operation of the Treasure Island Brig would be an estimated $373,620 per year. This annual budget of $373,620 includes: (a) $269,620 in rent and additional fees to be paid to the Treasure Island Development Authority ($250,000 for rent plus $10,800 for the Navy CAM Charge plus $8,820 in Landscaping fees), (b) $80,000 for utilities, (c) $12,000 for maintenance, (d) $10,000 for contractual services, including pest control and the purchase of bottled water, and (e) $2,000 for materials and supplies. Ms. Mariani advises that the Sheriff's Department would use existing staff and salaries to provide staffing at the Brig during training periods. According to Ms. Mariani, if the Sheriff's Department were to house prisoners temporarily at the Brig during an emergency, the Sheriff's Department would most likely staff the facility using overtime funds. Depending on the scale of the emergency, the Sheriff's Department would either fund the additional costs of operating an emergency overflow jail at the Brig from existing budgeted funds or be required to request a supplemental appropriation for such unexpected costs, according to Ms. Mariani. Ms.

Mariani advises that the Sheriff's Department is unable to provide an estimate for how much additional funding would be needed, since such an estimate would depend entirely on the magnitude of emergency.

5. Under the proposed sublease, the Sheriff's Department would not have exclusive rights to the Treasure Island Brig. The sublease states that the Treasure Island Development Authority "...shall have the right to enter and use the Premises at any time during the Term of this Agreement which does not conflict with any Permitted Use Period." Mr. Proud advises that such provision was included to allow the Treasure Island Development Authority access to the Treasure Island Brig, when the Sheriff's Department was not using the facility, for purposes such as renting the facility to film studios or other short-term purposes.

6. In 1997 the Sheriff's Department began plans to renovate the Treasure Island Brig facility in order to use the Treasure Island Brig as a full-time County Jail. Initially, the Sheriff's Department proposed housing an average of 130 to 140 prisoners who would otherwise be housed at Jail No. 3 in San Bruno, as part of an effort to relocate as many inmates as possible from Jail No. 3 in anticipation of the United States District Court stipulating that the Sheriff's Department must reduce the inmate population at San Bruno Jail No. 3. However, Ms. Mariani advises that ultimately, the Sheriff's Department was able to fulfill required improvements at the San Bruno Jail No. 3, outlined by the United States District Court, without relocating prisoners to the Treasure Island Brig. As described in further detail below, the Sheriff's Department completed capital improvements at the Treasure Island Brig during Fiscal Years 1997-1998 and 1998-1999. However, in Fiscal Year 1999-2000, the Sheriff's Department was unable to house inmates at the Treasure Island Brig due to insufficient staffing.

Ms. Mariani advises that after the Sheriff's Department completed its capital improvements to the Treasure Island Brig, in Fiscal Year 1999-2000 the department began using the Treasure Island Brig for training purposes. Mr. Proud advises that the Sheriff's Department did not pay any rent to the Treasure Island

Development Authority during completion of the capital improvements at the Treasure Island Brig or during the subsequent period of training during Fiscal Year 1999-2000.

Fiscal Year 1997-1998

In November of 1997 the Board of Supervisors approved a supplemental appropriation of $1,699,955 (File 101-97-20) to fund capital improvements and operating costs at the Treasure Island Brig, as well as to fund 24 new positions (22 Deputy Sheriffs and two engineers), which the Board of Supervisors also approved in 1997 to staff the Treasure Island Brig.[3] However, Ms. Mariani advises that Sheriff's Department did not house inmates at the jail in Fiscal Year 1997-1998 because the capital improvements required more time than was originally expected and were not completed until the end of Fiscal Year 1998-1999. As a result, the Sheriff's Department expended a total of $932,289 on the Treasure Island Brig in Fiscal Year 1997-1998, as shown in Attachment II. The total expended amount of $932,289 included $573,560 in capital costs and $358,729 in operating costs for the limited staffing, utilities and supplies required to support the construction improvements taking place, according to Ms. Mariani. Ms. Mariani advises that the Sheriff's Department did not fill the 24 new positions approved the previous fiscal year and instead used the resulting salary savings to fund deficits in other accounts in the department's budget.

Fiscal Year 1998-1999

According to Ms. Mariani, in Fiscal Year 1998-1999, the Sheriff's Department was appropriated $5,989,987 in its original budget, for operating costs ($5,173,526) and additional capital improvements ($816,461) to run a full-time jail at the Treasure Island Brig. Ms. Mariani advises that the budgeted amount for operating costs included approximately $2.3 million for the salaries, benefits and related costs of approximately 42 existing positions to be transferred from the San Bruno Jail No. 3 to the Treasure Island Brig. However, the Sheriff's Department again postponed operating the Brig as a full-time jail in order to

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[3] The $1,699,955 appropriation was made from a $2,100,000 General Fund Reserve that was established by the Board of Supervisors in the Fiscal Year 1997-98 budget for the Naval Brig on Treasure Island.

complete additional improvements necessary for housing inmates, according to Ms. Mariani. Ms. Mariani advises that in Fiscal Year 1998-1999, the Sheriff's Department expended $1,135,018 at the Treasure Island Brig, as outlined in Attachment II, leaving a balance of $4,854,969 (original budget of $5,989,987 less expenditures of $1,135,018). Of this balance of $4,854,969, Ms. Mariani advises that approximately $2.3 million funded the existing 42 employees discussed above, which remained at the San Bruno Jail No. 3 and were never transferred to the Treasure Island Brig as previously planned. Ms. Mariani advises that in Fiscal Year 1998-1999, the Sheriff's Department again postponed filling the 24 new positions approved in Fiscal Year 1997-1998, and the department used the resulting salary savings of approximately $2,554,969 to fund deficits in other accounts in the department's budget.

Fiscal Year 1999-2000

Ms. Mariani advises that for Fiscal Year 1999-2000, the Sheriff's Department was appropriated $5,195,625 in its original budget for expenditures at the Treasure Island brig. However, in Fiscal Year 1999-2000, the Sheriff's Department was unable to house inmates at the Treasure Island Brig due to insufficient staffing, according to Ms. Mariani. Ms. Mariani advises that a growing inmate population in the County required the Sheriff's Department to operate San Bruno Jail No. 3 at full capacity, thus preventing the Sheriff's Department from transferring the existing 42 San Bruno positions to the Treasure Island Brig and leaving the Treasure Island Brig with insufficient staff to operate as a jail. Ms. Mariani states in Attachment I that the Sheriff's Department has never received full funding to operate the Treasure Island Brig and all other jails in the system at full capacity at the same time. Ms. Mariani further advises that the Treasure Island Brig is a very labor-intensive jail and that operating San Bruno Jail No. 3 at full capacity is more cost effective than transferring inmates to the Treasure Island Brig. As stated previously, the Sheriff's Department had originally made plans to operate a full-time jail at the Treasure Island Brig in anticipation of the United States District Court requiring a reduction in the number of inmates at San Bruno Jail No. 3, which ultimately was not necessary.

However, in order to meet staffing requirements outlined by the United States District Court's ruling against the Sheriff's Department, the Sheriff's Department reassigned to the San Bruno Jail No. 3 the 24 new positions originally approved in Fiscal Year 1997-1998 for the Treasure Island Brig. As a result, the Sheriff's Department expended only $223,756 of its Fiscal Year 1999-2000 budget of $5,195,625 for the Treasure Island Brig. Ms. Mariani advises that the remaining balance of $4,971,869 was used: (a) to fund the existing 42 employees that were intended to be transferred to the Treasure Island Brig but instead remained at San Bruno Jail, (b) to fill the 24 positions approved in Fiscal Year 1997-1998 for the Treasure Island Brig, but now needed at the San Bruno Jail No. 3. Ms. Mariani advises that any additional salary savings realized from position vacancies was used to fund deficits in other accounts in the Sheriff's Department's budget.

7. Ms. Mariani states in Attachment I that:

> "...While the jail population has leveled off over the past year, it is again on the increase. We cannot predict the size of our jail population in the future and we will not have a new jail facility [to replace the San Bruno Jail No. 3] for at least three years. Therefore, it is only prudent that we protect the investment the City has made in [the Treasure Island Brig] as a hedge against future population increases. It is also insurance against another Federal lawsuit should the jails become overcrowded during this period."

Ms. Mariani advises that, at this time, the Sheriff's Department will take advantage of using the Treasure Island Brig for training, which will be greatly enhanced by having access to actual jail cells. Ms. Mariani reports that due to the County's large inmate population, which currently consist of approximately 1,900 inmates in the City's eight jails, the Sheriff's Department has no other vacant jail space available for training. Prior to the Sheriff's Department beginning to use the Treasure Island Brig for training purposes in Fiscal Year 1999-2000, the Sheriff's Department was required to hold

training in a conference room located in City-owned office space at 555 7th Street. Ms. Mariani notes that this conference space does not meet the Sheriff's Department's training needs because it is particularly important for newly-hired officers to gain training experience in a actual jail facility as opposed to using a cimulated environment. In addition, the Sheriff's Department will have access to the Treasure Island Brig to house prisoners during emergencies.

8. The proposed sublease states that both the City and the Treasure Island Development Authority "...may terminate this Sublease prior to the Expiration Date [of May 15, 2005] by giving to the other party written notice of intent to terminate the Sublease one year prior to the intended date of termination."

9. According to Mr. Proud, the Treasure Island Development Authority hired a private firm, Clifford Associates, to appraise the value of the subject Treasure Island Brig facility. On July 21, 2000, the appraiser determined that the fair market rent for the Brig facility would be $1.1 million per year. Mr. Proud advises that the Treasure Island Development Authority has agreed to charge the Sheriff's Department an annual rent of $250,000, or 22.7 percent of the Brig's annual rental market value, since the Sheriff's Department will only be authorized to use the Brig facility for 90 days, or approximately one-fourth of a year, per year for training purposes. Mr. Steve Alms of the Real Estate Division of the Administrative Services Department has reviewed the appraisal of the Brig facility commissioned by the Treasure Island Development Authority and agreed that the rent charged to the Sheriff's Department represents fair market value.

10. The subject sublease states that the Sheriff's Department:

> "...shall not permit any inmates to be housed at the premises who have a known record of violent behavior, including without limitation, a known record for murder, manslaughter, assault, battery, rape, or sexual molestation. Subtenant [Sheriff's Department] shall not permit any portion of the

> Premises to be used as a shooting range by any of the Subtenant's peace officers, personnel, or invitees. Subtenant acknowledges that there are residential dwellings and a public elementary school in the general vicinity of the Premises, and Subtenant agrees to use good faith efforts to prevent any interference with such residential and public school activities by Subtenant's use of the Premises."

Mr. Proud advises that the Treasure Island Development Authority plans to give residents on Treasure Island 30 days notice of any plans of the Sheriff's Department to house inmates in the Brig facility in non-emergency situations. In addition, Ms. Mariani advises that the training to be conducted at the Brig by the Sheriff's Department will not involve any live ammunition or chemical agents.

11. Under the proposed sublease, the Sheriff's Department indemnifies the Treasure Island Development Authority and the Navy, as Master Landlord, and their agents and employees as defined in the lease. The proposed sublease states:

> "Subtenant [Sheriff's Department], on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties [described above] and Master Landlord shall not be responsible for or liable to, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of any improvements on the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused by the negligence or willful misconduct of the Indemnified Parties."

According to Mr. Donnell Choy of the City Attorney's Office, the indemnification provision contained in the

sublease is standard in all subleases entered into by the Treasure Island Development Authority with any entity wishing to sublease property on Treasure Island. Mr. Choy advises that if there were another large earthquake comparable to or greater in magnitude than the 1989 Loma Prieta Earthquake during the term of this sublease, the City would not be able to look to the Treasure Island Development Authority to recover any losses arising therefrom, according to Mr. Choy. Mr. Choy advises that when the City is acting as the landlord in its own leases, the City includes similarly broad indemnification provisions in its leases.

12. In summary, the Budget Analyst notes the following: (a) since Fiscal Year 1997-1998, the Sheriff's Department has expended a total of $1,099,409 (Attachment II) in capital expenditures to convert the Treasure Island Brig into a jail usable by the City; (b) the Sheriff's Department originally intended to house approximately 130 to 140 inmates at Treasure Island Brig in an effort to relieve overcrowding at the San Bruno Jail No. 3; (c) in order to staff the converted Treasure Island Brig, the Sheriff's Department received 24 new positions during Fiscal Year 1997-1998; (d) the Sheriff's Department was also budgeted funds to operate the Treasure Island Brig as a full-time jail, including $5,173,526 in Fiscal Year 1998-1999 and $5,195,625 in Fiscal Year 1999-2000; (e) such operating costs included funding for 42 existing positions, which the Sheriff's Department planned to transfer from the San Bruno Hail No. 3 to the Treasure Island Brig, but was unable to do so due to increased staffing needs at the San Bruno Jail No. 3; (f) because the Treasure Island Brig configuration is such that its operation is more labor-intensive than other City jail facilities, the Sheriff's Department was unable to operate the Treasure Island Brig due to staffing limitations and, therefore, expended the additional funds elsewhere in the City jail system to compensate for an increase in the prisoner population; and, (g) by requesting that the Board of Supervisors approve the subject sublease of the Treasure Island Brig, the Sheriff's Department is now proposing to use the Treasure Island Brig for the alternative purpose of training officers and maintaining space for emergency overflow housing of inmates.

13. The Finance Committee, at its February 28, 2001 meeting, requested that the Sheriff's Department account for all funds appropriated to the Treasure Island Brig since 1997. Attachment IV, provided by the Sheriff's Department, contains the Sheriff's Department's response to the Finance Committee. The Budget Analyst notes the following from the information provided by the Sheriff's Department:[4]

(a) During Fiscal Year 1997-1998, the Sheriff's Department expended a total of $329,570 on operating costs at the Treasure Island Brig, or $702,896 less than the $1,032,466 appropriated by the Board of Supervisors for such purposes. Ms. Mariani advises that the unexpended balance of $702,896 was returned to the General Fund at the close of Fiscal Year 1997-1998.

(b) During Fiscal Year 1998-1999, the Sheriff's Department expended a total of $547,337 on operating costs at the Treasure Island Brig, or $4,698,881 less than the $5,246,218 appropriated for such purposes.[5] Ms. Mariani advises that of the unexpended balance of $4,698,881, a total of $3,257,766 was transferred to cover costs at the San Bruno Jails, Nos. 3 and 7, (largely to fund the 42 existing positions that the Sheriff's Department had planned to transfer to the Treasure Island Brig but was unable to do so due to increased staffing needs at the San Bruno Jails). Ms. Mariani advises that the remaining $1,441,115 of the $4,698,881 unexpended balance was used to help offset deficits in Overtime and training costs due to vacancies.

(c) For Fiscal Year 1999-2000, Ms. Mariani advises that the Sheriff's Department originally included $5,195,625 in its budget request to fund operating costs at the Treasure Island Brig. However, due to

[4] The Budget Analyst notes that the budget totals in Attachment IV differ from those in Attachment II because Attachment IV does not include capital or equipment costs.

[5] According to Ms. Mariani, this appropriation amount of $5,246,218 for Fiscal Year 1998-1999 includes encumbrances carried over from the previous fiscal year and is therefore $72,692 more than the appropriation amount of $5,173,526 shown in Comment No. 6 above, previously provided by Ms. Mariani.

insufficient funds to staff the Treasure Island Brig at full capacity, this $5,195,625 originally designated for the Treasure Island Brig in the Sheriff's Department's budget request were transferred by the Mayor's Budget Office to the budget for the San Bruno Jails before the Sheriff's Department's budget was submitted to the Board of Supervisors for approval, according to Ms. Mariani. In addition, for Fiscal Year 1999-2000, the Board of Supervisors appropriated a Reserve for Jail Overcrowding of $2,500,000 for the Sheriff's Department in the event that the Sheriff was able to staff the Treasure Island Brig if necessary due to overcrowding in other City jails. Instead, this Reserve of $2,500,000 was subsequently released by the Board of Supervisors to help fund the Sheriff's Department's Fiscal Year 1999-2000 supplemental appropriation of $4,695,097 used to fund overspending, including Overtime, and other unforeseen costs in the department (File No. 00-0774).

The Budget Analyst notes that the Sheriff's Department's budget for operating costs at the San Bruno Jails increased in Fiscal Year 1999-2000 by $7,585,091, or more than 75 percent, from $10,066,836 in Fiscal Year 1998-1999 to $17,651,927 in Fiscal Year 1999-2000.[6] As shown in Attachment IV, the San Bruno Jails budget ended Fiscal Year 1999-2000 with a surplus of $3,120,865 ($3,308,468 less $187,603), which was used to help offset deficits in Overtime and training costs due to vacancies, according to Ms. Mariani.

14. At its February 28, 2001 meeting, the Finance Committee also raised questions about the appraisal that determined the fair market value of the subject Treasure Island Brig facility, completed by Clifford Associates, a private firm hired by the Treasure Island Development Authority. On July 21, 2000, the appraiser determined that the fair market rent for the Brig facility would be $1.1 million annually, on which the Treasure Island

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[6] The budget figures for San Bruno Jail No. 3 include salaries and benefits required as a result of an earlier lawsuit, shown as the "Besk Case" in Attachment IV.

Development Authority based the $250,000 annual rent it proposes to charge the Sheriff's Department for limited use of the Treasure Island Brig under the subject lease, retroactive to July 1, 2000.[7] According to the Real Estate Division, Clifford Associates reports that this appraisal of the Brig facility did not include the $1,099,409 in capital improvements, which the Sheriff's Department had spent since Fiscal Year 1997-1998 for the Treasure Island Brig, as described in Attachment III. Mr. Proud advises that the Treasure Island Development Authority did not offer the Sheriff's Department any reimbursement or rent credits to compensate for the improvements completed by the Sheriff's Department, because: (a) the Treasure Island Development Authority leases all of its facilities on an "as is" basis; (b) the appraisal of the Treasure Island Brig did not include any of the Sheriff's Department's improvements to the Brig in evaluating the fair market rent of the facility; and (c) the Sheriff's Department elected to complete such improvements based on the Sheriff's Department's assessment of the improvements needed to operate the Brig as a jail facility.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

[7] As stated previously, the Treasure Island Development Authority agreed to charge the Sheriff's Department an annual rent of $250,000, or 22.7 percent of the Brig's annual rental market value of $1.1 million, since the Sheriff's Department will only be authorized to use the Brig facility for 90 days, or approximately one-fourth of a year, per year.

City and County of San Francisco

OFFICE OF THE SHERIFF

Michael Hennessey
SHERIFF

415 - 554 - 7225

February 20, 2001
Ref. No.: CFO 01-002

TO: Budget Analyst's Office

FROM: Jean M. Mariani, jmm Chief Financial Officer

SUBJECT: Lease of the Treasure Island Brig

During 1997, the City was under a federal court order to resolve jail overcrowding and conditions at County Jail #3 in San Bruno. In conjunction with the Mayor and the City Attorney, the Sheriff proposed opening the Treasure Island Brig to reduce the population at CJ#3 as part of the settlement of the lawsuit. The Board of Supervisors approved a supplemental appropriation that year, anticipating occupancy of the Brig sometime in the following fiscal year (see Lt. LaVigne's February 9, 2001 memorandum for a discussion of the capital improvements related to the facility).

When the final draft of the settlement was presented to the court, use of the Treasure Island Brig to house prisoners was not included. However, greatly increased staffing at CJ #3 was part of the settlement, so the staff approved for TI were assigned to CJ #3 instead.

Because the jail population was continuing to increase during that time, we were concerned that we would have need of the Brig for overflow purposes. We do not have other appropriate vacant space for housing prisoners. In those instances in the past where we have had significant and serious overcrowding, the Sheriff has been forced to release prisoners from custody early (or rent space in Alameda County's jail, now unavailable).

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SAN FRANCISCO, CA 94102
FAX 415 - 554 - 7050

Recycled Paper

While the jail population had leveled off over the past year, it is again on the increase. We cannot predict the size of our jail population in the future and we will not have a new jail facility (to replace CJ #3) for at least three years. Therefore, it is only prudent that we protect the investment the City has made in this facility as a hedge against future population increases. It is also insurance against another federal lawsuit should the jails become overcrowded during this period.

In the interim, the Sheriff's Department has taken advantage of the facility for training. State training standards for deputy sheriffs require four to six weeks of core training in jail management techniques before working in a jail, as well as 24 hours of annual training for continuing certification. Having actual jail cells available enhances training in cell removal techniques, etc.

We have used the Treasure Island Brig for prisoners twice, during the 2000 millennium weekend, to free up space at the 425-7th St. jail in case there were mass arrests, and for a multi-jurisdiction mass-arrest coordination site with the U.S. Marshal and the FBI.

The attached spreadsheet presents the Sheriff's Department expenditures to date for the Treasure Island Brig. Our estimated annual costs, including lease, utilities, and maintenance expense, are approximately $373,620. The Mayor's Office included and the Board of Supervisors approved $260,871 for this lease payment in our 2000-01 budget.

In 1997-98 and 1998-99, the Sheriff's Department budget included appropriations of $1,699,955 and $5,989,987 for operating the Treasure Island Brig. In 1999-00, we combined the TI Brig budget with the San Bruno budget, and used the vacant positions in the TI budget to meet the terms of the federal court settlement. The TI Brig is a very labor-intensive jail, less cost-effective to operate than the Sheriff's other facilities. The Sheriff has never received full funding to operate the TI Brig and all other jails in the system at full capacity. The funding levels presumed partial closure of several floors of CJ #3, and a transfer of those inmates and deputies to TI.

San Francisco Sheriff's Department
Treasure Island Brig Expenditures
1997 to Present

	1997-98	1998-99	1999-00	2000-01*	Totals		Annual
Salaries	120,853	312,372	89,356	-	522,581		
Benefits	28,242	58,311	16,190	-	102,743		
Contractual Services		11,050	15,106	1,084	27,240		10,000
Maintenance Services	84,302	12,356	11,283	10,311	118,252		12,000
Utilities	7,630	53,041	76,724	31,872	169,267		80,000
Materials/Supplies	88,543	100,207	10,149	981	199,880		2,000
Equipment	29,159	61,832	3,550	-	94,541		-
Workorders	-	-	1,398	-	1,398		-
Construction	573,560	525,849	-	-	1,099,409		-
Facility Rent	-	-	-	-	-		269,620
Totals	932,289	1,135,018	223,756	44,248	2,335,311		373,620
*thru 2/7/01							

Source: Sheriff's Department

TOTAL P.06

02/16/2001

San Francisco Sheriff's Department

INTER-OFFICE CORRESPONDENCE

Sheriff's Bureau of Building Services

Attn: Ms. Jean Mariani
From: Lt. Michael La Vigne
Subj: Capital Improvements at the Treasure Island Brig

Friday, February 09, 2001

The following is a short history and accounting of the capital improvements the SFSD has made to date at the Treasure Island Brig.

1996 – In anticipation of the CCSF taking over the Treasure Island & Yerba Buena Island properties from the U. S. Navy, inspections of the various buildings were performed by CCSF and California State officials having jurisdiction. In mid 1996 (May & June) the SFSD received copies of seismic, building code, and fire/life safety code deficiency reports from the CCSF, California Board of Corrections, and California State Fire Marshal. The SFSD also reviewed the Brig to determine what security or operational modifications would have to be made to accommodate prisoners.

1997 - Based upon the above surveys and reports, the SFSD developed a scope of work to correct the code, security and operational issues. From this scope of work a capital budget was developed and submitted to the CCSF as supplemental budget request in August of that year. This supplemental budget request, along with an ordinance permitting the SFSD to contract for the work, was approved by the CCSF Board of Supervisors in November 1997. The scope of work was divided into three basic contracts as indicated below:

Electronic Security System Improvements:

Scope: Replace central control panel, add CCTV cameras and monitors, repair and replace locks and moving gates.
Cost: $240,000
Time: January – April 1998

Prisoner Exercise Yard Improvements:

Scope: Replaces old fencing with new double security fence and paves over gravel exercise yards.
Cost: $340,000
Time: July – November 1998

Fire/Life Safety Upgrades:

Scope: Replaces old fire alarm system, apply spray-on cementitious fire proofing on underside of roofs and roofing supports, replaces several doors and frames with code compliant assemblies, remodels paths of travel to provide clear fire exit routes, and upgrades and expands the fire sprinkler system.

Cost: $800,000

Time: September 1998 – March 1999

In addition to the above, the SFSD has made improvements to the temperature control system of the Brig, as well as installed some kitchen equipment.

The CCSF still has some disability access issues at the Brig, but at this point we have closed out all construction contracts, and any disability access issues would be addressed in the future.

If you have any questions, please call.

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City and County of San Francisco

OFFICE OF THE SHERIFF

Michael Hennessey
SHERIFF

415 - 554 - 7225

MEMORANDUM

March 6, 2001
Reference: CFO 01-004

TO: Finance Committee Members

FROM: Jean Mariani, Chief Financial Officer

SUBJECT: Sheriff's Department Expenditures, Treasure Island Brig (File 01-0145)

You have requested additional details on the Sheriff's Department expenditures related to budget allocations for the Treasure Island (TI) Brig.

The following appropriation and expenditure information is from FAMIS, based on the year-end reports for each fiscal year and reflects the General Fund operating budgets for each budget unit indicated.

Following are the 1997-98, 1998-99 and 1999-2000 appropriations, expenditures and balances for the TI Brig, the San Bruno Jail complex (which includes County Jail (CJ) #3, the subject of the Jones lawsuit, and CJ #7) and the Besk Case (which aggregates expenditures resulting from a previous CJ #3 lawsuit). These three budget units include all positions assigned to CJ #3.

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Fiscal Year 1997-98 Operating Budget Appropriations and Expenditures

Index Code	060313	060310	060311	TOTALS
FY 1997-98	Treasure Island Brig	San Bruno Jails	Besk Case - CJ #3	San Bruno/TI
SALARIES				
Appropriation	649,696	6,200,156	1,687,460	8,537,312
Expenditure	120,853	6,331,652	1,605,136	8,057,641
Balance	528,843	(131,496)	82,324	479,671
BENEFITS				
Appropriation	194,909	2,063,663	576,978	2,835,550
Expenditure	28,242	2,008,983	513,440	2,550,665
Balance	166,667	54,680	63,538	284,885
SERVICES				
Appropriation	88,986	545,000	5,000	638,986
Expenditure	91,940	436,235	-	528,175
Balance	(2,954)	108,765	5,000	110,811
SUPPLIES				
Appropriation	98,875	1,994,942	-	2,093,817
Expenditure	88,535	2,056,278	-	2,144,813
Balance	10,340	(61,336)	-	(50,996)
OTHER DEPTS.				
Appropriation	-	358,180		358,180
Expenditure	-	-		-
Balance	-	358,180	-	358,180
TOTALS				
Appropriation	1,032,466	11,161,941	2,269,438	14,463,845
Expenditure	329,570	10,833,148	2,118,576	13,281,294
Balance	702,896	328,793	150,862	1,182,551

For Fiscal Year 1997-98, these three budget units had total operating budget appropriations of $14,463,845, expenditures of $13,281,294 and a remaining balance of $1,182,551, which reverted to the General Fund at year end because the department overall had a remaining General Fund balance in its operating budget of $1,594,047.

Fiscal Year 1998-99 Operating Budget Appropriations and Expenditures

Index Code	060313	060310	060311	TOTALS
FY 1998-99	Treasure Island Brig	San Bruno Jails	Besk Case - CJ #3	San Bruno/TI
SALARIES				
Appropriation	3,642,589	4,240,557	1,766,571	9,649,717
Expenditure	312,372	6,850,917	1,800,380	8,963,669
Balance	3,330,217	(2,610,360)	(33,809)	686,048
				-
BENEFITS				-
Appropriation	1,031,937	339,347	366,966	1,738,250
Expenditure	58,311	1,463,416	336,247	1,857,974
Balance	973,626	(1,124,069)	30,719	(119,724)
				-
SERVICES				-
Appropriation	136,000	544,500	5,000	685,500
Expenditure	76,447	602,000	-	678,447
Balance	59,553	(57,500)	5,000	7,053
				-
SUPPLIES				-
Appropriation	435,692	2,406,018	-	2,841,710
Expenditure	100,207	2,182,872	-	2,283,079
Balance	335,485	223,146	-	558,631
				-
OTHER DEPTS.				-
Appropriation	-	397,877		397,877
Expenditure	-	86,860		86,860
Balance	-	311,017	-	311,017
				-
TOTALS				-
Appropriation	5,246,218	7,928,299	2,138,537	15,313,054
Expenditure	547,337	11,186,065	2,136,627	13,870,029
Balance	4,698,881	(3,257,766)	1,910	1,443,025

As shown in the table, the TI Brig balance of $4,698,881 was offset by a San Bruno deficit of $3,257,766. While the budget transferred approximately $3.7 million of salaries, benefits and positions from San Bruno to TI, TI did not open and, because the jail system was over capacity, San Bruno continued to use the transferred positions at CJ #3. The remaining balance in these three budget units and from other parts of the department was used to offset a deficit of $3,591,064 in the Department Services budget unit.

Fiscal Year 1999-00 Operating Budget Appropriations and Expenditures

Index Code	060313	060310	060311	TOTALS
FY 1999-2000	Treasure Island Brig	San Bruno Jails	Besk Case - CJ #3	San Bruno/TI
SALARIES				
Appropriation	-	10,014,244	1,883,781	11,898,025
Expenditure	89,356	7,583,519	2,094,710	9,767,585
Balance	(89,356)	2,430,725	(210,929)	2,130,440
				-
BENEFITS				-
Appropriation	-	1,901,953	389,383	2,291,336
Expenditure	16,190	1,582,723	371,057	1,969,970
Balance	(16,190)	319,230	18,326	321,366
				-
SERVICES				-
Appropriation	-	1,079,698	5,000	1,084,698
Expenditure	103,113	503,952	-	607,065
Balance	(103,113)	575,746	5,000	477,633
				-
SUPPLIES				-
Appropriation	424	1,927,611	-	1,928,035
Expenditure	10,149	2,161,758	-	2,171,907
Balance	(9,725)	(234,147)	-	(243,872)
				-
OTHER DEPTS.				-
Appropriation	48,640	450,257		498,897
Expenditure	1,398	233,343		234,741
Balance	47,242	216,914	-	264,156
				-
TOTALS				-
Appropriation	49,064	15,373,763	2,278,164	17,700,991
Expenditure	220,206	12,065,295	2,465,767	14,751,268
Balance	(171,142)	3,308,468	(187,603)	2,949,723

In 1999-00, because sufficient funding was not appropriated to staff at capacity the TI Brig and all other jails in the system, the TI budget was collapsed into the San Bruno budget. The TI positions were then identified as those positions agreed to as part of the Jones settlement which occurred late in 1998-99. Again, the year-end balance was used, along with other department balances, to offset the Department Services budget unit deficit of $6,224,337.

The deficits in the Department Services budget unit result from the manner in which positions are budgeted in the Sheriff's Department. We list positions in the appropriate budget unit to reflect the authorized staffing for each Department facility and program. This authorized staffing accounts for every department position shown in the budget. This creates a mismatch between budget and spending when a position is assigned to academy training. For costing purposes, training is allocated as a department-wide function, so the academy-assigned position is paid from the Department Services budget, even though the position is budgeted in another unit. The Sheriff's Department 2001-02 budget request includes a reallocation to correct this mismatch.

If you have any questions or comments, please contact me at (415) 554-4316.

cc: Gail Johnson, Clerk, Finance Committee
Ed Harrington, Controller
Erin McGrath, Mayor's Office
Taylor Emerson, Mayor's Office
Harvey Rose, Budget Analyst

Item 3 - File 01-0219

Department: Police Department

Item: Hearing to consider the release of reserved funds (FY 1999-2000 budget) in the amount of $180,000 to fund the Police Crisis Intervention Program.

Amount: $180,000

Source of Funds: General Fund monies appropriated and reserved by the Board of Supervisors in the FY 1999-2000 Police Department budget.

Description: At the close of the FY 1999-2000 budget hearings, the Board of Supervisors approved an appropriation of $180,000 for the Police Crisis Intervention Program and placed the subject funds on reserve, pending submission of Program budget and curriculum details. The Police Crisis Intervention Program is a curriculum which would be taught by mental health professionals to Police Officers and Sergeant/Inspectors about their interactions with persons with mental disabilities.

According to Sergeant Michael Sullivan of the Police Department, as part of its FY 1999-2000 budget development, the Police Department proposed to integrate mental health training into its training curriculum. The subject funds were carried forward to the FY 2000-01 General Fund budget and held in reserve in anticipation of Program budget and curriculum details. To date, the curriculum has been identified, interviews with potential instructors began on February 20, 2001 and the first of two Police Crisis Intervention Programs is scheduled to begin on May 21, 2001.

Approval of the proposed release of reserved funds in the amount of $180,000 would cover the cost of conducting two four-day Police Crisis Intervention Programs. According to Ms. Helynna Brooke of the City's Mental Health Board, a State-mandated advisory board appointed by the Board of Supervisors, the first training program would take place May 21 through May 24, 2001 and the other would take place in October of 2001. Each

Program would cost approximately $89,986.39, a total cost of $179,972.78 for two Programs.

The Police Crisis Intervention Program would provide training to police officers on how to respond to situations involving mentally ill people and avoid injuries to both officers and civilians. The Program would include, but is not limited to, the following topics: signs and symptoms of mental illness that may require assistance from mental health professionals, crisis intervention, legal issues, suicide prevention, and review of Police Department policies and procedures. The Police Crisis Intervention Program was developed by the Police Department, Mental Health Board and Community Mental Health Services.

Budget:

The summary budget for the proposed Program, provided by the Police Department, is as follows:

Salaries of Police Officer and Sergeant/ Inspector Trainees at Overtime Rates*	$121,675.28
Reproduction	3,461.58
Van Rental	659.82
Catering (see Comment No. 3)	10,000.00
Room Rental (see Comment No. 1)	5,200.00
Stipends (see Comment No. 2)	4,500.00
Equipment	6,120.00
Police Administration Costs at Overtime Rates**	18,056.10
Evaluation Costs (see Comment No. 4)	6,300.00
Consultant Costs (see Comment No. 5)	4,000.00
TOTAL	$179,972.78

* Salaries of Police Officers at overtime rates includes (1) 44-Q4 Step 4 Police Officers at an hourly rate of $47.8875 for 40 hours per Police Officer, or a total of 1,760 hours, plus fringe benefits ($84,282 in salaries plus $1,281.08 in fringe benefits equals $85,563.08) and (2) 16-Q52/382 Sergeant/Inspectors at an hourly overtime rate of $55.575 for 40 hours per Sergeant/Inspector, or a total of 640 hours, plus fringe benefits ($35,568 in salaries plus $544.20 in fringe benefits equals $36,112.20). $85,563.08 plus $36,112.20 equals $121,675.28.

**Police Administration Costs includes 8-Q52/383 Sergeant/ Inspectors at an hourly overtime rate of $55.575 for 40 hours each, or a total of 320 hours, plus fringe benefits ($17,784 in salaries plus $272.10 in fringe benefits equals $18,056.10).

The Attachment, provided by the Police Department, contains budget details for the summary budget on the previous page. As shown in the table on the previous page and the Attachment to this report, $139,731.38 ($121,675.28 plus $18,056.10) or 77.6 percent of the total budget of $179,972.78 for the training program would fund the Police Department's overtime salary costs for Police Officers and Sergeant/Inspectors who will receive the training and assist in administering the training program.

Comments:

1. According to Ms. Brooke, the first 40-hour Police Crisis Intervention Program would be held May 21 through May 24, 2001 at Fort Mason. The total room rental would cost $5,200, which includes the room rental rate of $650 per day for two four-day Programs, a total of eight days. The first Program would include 30 volunteer participants, including patrol officers, investigation bureau officers, and administrative officers. Each Program consists of four, 10-hour days, which is the length of a Police Officer's shift.

2. Guest speakers, including mental health specialists, representatives from non-profit organizations and family members of people with mental illness would be given a stipend of $150 per day. Ms. Brooke reports that each Program would have 15 guest speakers, or a total of 30 guest speakers for two Programs, at a total cost of $4,500.

3. Ms. Brooke reports that as of the writing of this report, the Police Department has not selected a catering firm to provide catering services for the training sessions and graduation reception. Therefore, the Police Department is unable to provide budget details on the $10,000.00 in catering services costs.

4. Ms. Brooke reports that as of the writing of this report, the Police Department has not selected a consulting firm to provide evaluation services for the training sessions. Therefore, the Police Department is unable to provide budget details on the $6,300 in evaluation services costs.

5. The non-profit Intergroup Clearinghouse was selected in October of 1999 on a sole source basis to provide

discussion facilitation services between the community, Mental Health Board, Department of Public Health, Community Health Services and the Police Department during the planning of the Police Crisis Intervention Program. According to Ms. Brooke, the Intergroup Clearinghouse is the only non-profit organization in the City that has worked with community advocates for people with mental illness and with the Department of Public Health and Police Department. From October of 1999 through March of 2000, the Intergroup Clearinghouse provided discussion facilitation services prior to the authorization of release of the subject funds by the Board of Supervisors at a cost of $2,000 based on 17 hours of facilitation services at an hourly rate of $100.00 plus 6 hours of preparation at an hourly rate of $50.00 ($1,700 plus $300 equals $2,000). To date, the Intergroup Clearinghouse has not yet been paid. In the future, the Intergroup Clearinghouse will provide meeting facilitation services at approximately six meetings for an additional $2,000 based on 20 hours of services at an estimated hourly rate of $100.00 to be held between the first and second Programs, or June through October of 2001.

6. According to Mr. Tom Strong of the Police Department, 77.6 percent of the total budget for the training program would cover the Police Department's overtime salary costs to backfill the positions of the Police Officers and Sergeant/Inspectors while they receive the training or assist in administering the training program. Allocating these funds to cover overtime salary costs would allow the Police Department to continue normal Police duties while the training programs are being conducted.

Recommendations:

1. Continue to reserve $10,000 for the catering services pending submission of budget details to the Finance Committee.

2. Continue to reserve $6,300 for consulting firm evaluation services pending submission of budget details to the Finance Committee.

3. Release reserved funds totaling $163,700 ($180,000 request less $10,000 for catering services less $6,300 for consultant evaluation costs).

4. Approval of release of the $2,000 for the Intergroup Clearinghouse contract costs is a policy matter for the Board of Supervisors since the $2,000 has been incurred prior to Board of Supervisors approval of the Police Department's requested release of reserved funds.

Police Crisis Intervention Training Budget
Two - 40 hour Trainings

Salary (Backfill)			
22 - Q4 Police Officers Step 4	$42,781.54		
(Rate of $47.8875 plus 1.52% fringe)			
8 - Q52/382 Sgt/Inspectors	$18,056.10		
(Rate of $55.575 plus 1.53% fringe)		total	$60,837.64
Reproduction			
Training Manual, resource cards, SFPD Disability awareness Guide City Hall Print Shop		total	1,730.79
Van Rental Thrifty Car Rental			
1 Day 3 vans @ $109.97 each		total	329.91
Catering			
Continental breakfast Lunch, graduation/reception Chief of Police/Press/Mayor		total	5,000.00
Room Rental			
Golden Gate Club Presidio		total	2,600.00
Stipends			
15 @ $150.00 (Non-police instructors)		total	2,250.00
Equipment			
4 day rentals			
TV/Video	$200.00 per day		
Audio/Microphone	175.00 per day		
2 wireless mics	250.00 per day		
Overhead	65.00 per day		
Slide Projector	75.00 per day	total	3,060.00
Police Administrative Costs			
4 Q52/383 total 160 hours (rate of $55.575 plus 1.53% fringe) Academy administrative/coordination, POST certification, coordination of instructors lesson plan and curriculum		total	9,028.05
Evaluation			
Development of evaluation instruments, data collection, evaluation, analysis, follow-up Interviews, Community Mental Health Services		total	$3,150.00
Facilitation			
Intergroup Clearinghouse services rendered		total	2,000.00
	Cost per Class		$89,986.39
	Total Cost two classes		$179,972.78

Item 4 - File 01-0355

Department: Department of Administrative Services, Real Estate Division (RED)
Department of Aging and Adult Services (DAAS)

Item: Resolution authorizing an amendment to a lease of real property at 1650 Mission Street for the Department of Aging and Adult Services.

Comment: As of the writing of this report, the Budget Analyst has not received requested information necessary to prepare a complete report on the proposed lease. Therefore, the Budget Analyst recommends the proposed resolution be continued.

Recommendation: Continue the proposed resolution to the Finance Committee meeting of March 21, 2001.

Item 5 – File 01-0203

Department: Public Transportation Commission (PTC)
Municipal Railway (MUNI)

Item: Resolution concurring with the Controller's certification that facility security services for the Municipal Transportation Agency can continue to be practically performed by a private contractor at lower cost than if work were performed by City and County employees.

Services to be Performed: Comprehensive facility security services for Municipal Railway operations

Description: Charter Section 10.104 provides that the City may contract with private firms for services, if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work by City and County employees.

Facility security services for Municipal Railway (MUNI) operations consist of unarmed stationary and roving guards at MUNI facilities, armed guards attending MUNI employees involved in the handling of cash, tickets and passes, and security analysis and development of plans for improving physical security at MUNI facilities.

The Controller has determined that contracting for facility security services for MUNI for FY 2000-2001 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$1,167,576	$1,405,248
Fringe benefits	335,902	373,264
Total	$1,503,478	$1,778,512
Contractual Service Cost*	1,297,519	1,300,845
Estimated Savings	$205,959	$477,667

*According to Mr. Joe Matranga of the Controller's Office, the Contractual Service Costs include (a) the current contractor's cost of $1,278,290 and (b) the salary and fringe benefits of 0.2 FTE 8221 Chief, Protective Services position for contract monitoring, at the lowest salary step of $19,229, and highest salary step of $22,555.

Comments:

1. Facility security services for MUNI were first certified as required by Charter Section 10.104 in 1983 and have been provided by an outside contractor since 1975.

2. As noted above, the Contractual Service Cost used for the purpose of this analysis is based on: (a) the current contractor's cost of $1,278,290 to provide facility security services, and (b) the salary and fringe benefits of 0.2 FTE 8221 Chief of Protective Services, ranging from $19,229 at the lowest salary step to $22,555 at the highest salary step.

3. The Controller's supplemental questionnaire with the Public Transportation Department's responses is shown in the Attachment to this report.

Recommendation: Approve the proposed resolution.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: _Public Transportation_(MUNI)______________________

CONTRACT SERVICES: _Comprehensive Facility Security Services______________________

CONTRACT PERIOD: _January 8, 2001 thru June 30, 2001______________________

(1) Who performed the activity/service prior to contracting out?

Was not performed.

(2) How many City employees were laid off as a result of contracting out?

None

(3) Explain the disposition of employees if they were not laid off.

N/A

(4) What percentage of City employees' time is spent of services to be contracted out?

Approximately 20% of Class 8221 position to monitor contract (.2 FTE)

(5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

Since 1975; Likely to be on-going.

(6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

1983-84 Fiscal Year. Yes.

(7) How will the services meet the goals of your MBE/WBE Action Plan?

They will comply with requirements of FTA DBE Program. Contractor is DBE.

(8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

Yes. Yes.

(9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

Contractor on HRC approved list for equal benefits requirements.

Department Representative: _Walter Gibbons______________________

Telephone Number: _(415) 554-7150______________________

Item 6 - File 01-0351

Department: Airport

Item: Resolution authorizing the Airport Commission to accept and expend a grant in the amount of $100,000 from the Bay Area Air Quality Management District (Air District) for acquisition of light duty, high mileage Compressed Natural Gas (CNG) vans by Airport vehicle operators.

Grant Amount: $100,000

Grant Period: January 1, 2001 through May 31, 2001 (five months)

Source of Funds: Transportation Fund for Clean Air (TFCA) administered by the Bay Area Air Quality Management District (Air District)

Description: The Airport's Clean Vehicle Policy was created in February of 2000 to encourage transportation operators at the Airport to replace a portion of their gasoline- and diesel-powered vehicles with clean Compressed Natural Gas (CNG) vehicles. The subject funds would be provided by the Air District to the Airport to subsidize the incremental cost of 25 light duty, high mileage vans over gasoline- and diesel-powered vans. The grant would provide funding to the Airport, which would disburse funds for partial payment of van acquisition costs to the following transportation operators at the Airport: (1) Super Shuttle to purchase 15 Ford E350 vans for door-to-door service between the Airport and Bay Area destinations, and (2) Bayporter Express to purchase 10 Dodge Ram vans for door-to-door service between the Airport and Bay Area destinations. Emissions for the 25 CNG vans must be below the level specified by the Air District. Further, the light duty, high mileage vehicles must weigh less than 10,000 pounds and operate at least 75,000 miles annually.

According to Mr. Roger Hooson of the Airport, the Air District contributes up to a maximum of $4,500 per vehicle toward the incremental cost of CNG Super Low Emission Vehicles over gasoline- and diesel-powered vans. Mr. Hooson reports that since the Airport received requests from transportation operators for 25 CNG vehicles, and the

subject grant amount is $100,000, the Air District would only contribute $4,000 per vehicle. Attachment I, provided by the Airport, shows that the grant provides approximately 13.2 percent, or $100,000, of the total cost of the 25 CNG vans, which would be $755,000. Super Shuttle and Bayporter Express would each pay their share of the remaining balance of $655,000, or approximately 86.8 percent, of the estimated total cost of $755,000 for the 25 CNG vans. According to Mr. Hooson, the Airport would not provide any Airport revenues for the acquisition costs of the CNG vans. Further, according to Mr. Hooson, the Airport would not be responsible for any maintenance and operating costs incurred by the 25 CNG vans.

The Airport would administer the subject grant, disburse funds to the two transportation operators (Super Shuttle and Bayporter Express) and monitor the project. The Airport would absorb the administrative costs of the grant application process and the Airport will also contribute some staff time estimated to cost $1,000 in administering the funds and monitoring operator compliance through the use of Airport revenues.

Budget: Attachment I, provided by the Airport, contains budget details for the subject grant funds.

Mr. Hooson advises that all costs under this grant are capital costs, and 100 percent of the funds would be used toward the acquisition of the 25 CNG fueled vans made by the two transportation operators. The actual amount paid by the Air District depends on the number and type of the CNG vans ultimately acquired by the two transportation operators, and the incremental costs of each vehicle purchased, compared to the closest gasoline- or diesel-powered model. However, based on the estimated cost data provided by the Airport, a total of 25 CNG vans would be purchased and the Airport District would pay $4,000 per van.

Airport Matching Funds for Vehicle Acquisition: None

Indirect Costs: Indirect costs would be waived in order to maximize use of grant funds on direct services.

Comments:

1. According to Mr. Hooson, in May of 2000, the Airport notified 67 transportation operators at the Airport, including door-to-door shuttle operators, hotel courtesy shuttle operators, off-Airport parking operators, Airline crew shuttle operators and scheduled bus operators of the availability of the subject funds and related funds, including the grant contained in Item 8, File 01-0352 of this report to the Finance Committee. Two transportation operators, Super Shuttle and Bayporter Express, responded to the notification with light duty, high mileage vehicles which qualify for funding under the subject grant, and both transportation operators were selected to receive a portion of the subject grant funds.

2. The two transportation operators mentioned above would compile vehicle maintenance histories and provide the data to the Airport. The two transportation operators would be required to participate in audits that, if deemed necessary, would be conducted by the Airport and the Air District to verify their compliance with grant guidelines.

3. Attachment II is the Airport's Grant Application Information Form, which includes the Disability Access Checklist.

4. Item 7, File 01-0352, of this report to the Finance Committee also pertains to one other Airport grant related to the acquisition of 22 CNG vehicles that would provide hotel courtesy shuttle service and rental cars.

5. Since the subject grant period began on January 1, 2001 the proposed resolution should be amended to provide for retroactive authorization.

Recommendations:

1. Amend the proposed resolution to provide for retroactive authorization, in accord with Comment No. 5 above.

2. Approve the proposed resolution, as amended.

ATTACHMENT I

FILE 01-0351: PROPOSED DISTRIBUTION OF GRANT FUNDS

Transport Operator	Vehicle Make	Vehicle Model	Seats	Base Vehicle Cost (a,b)	Grant Funds Per Vehicle	Subtotal	Vehicles	Total Grant Funds	Total Cost
SuperShuttle	Ford	E350 Van	7	$25,000 (c)	$4,000	$29,000	15	$60,000	$435,000
Bayporter Express	Dodge	Ram Van	7	$28,000	$4,000	$32,000	10	$40,000	$320,000
Total							25	$100,000	$755,000

(a) Paid in full by third party vehicle operators, not by the City.

(b) Approximates cost of gasoline-powered van.

(c) Reflects nationwide bulk purchase.

022715W.rh2

Source: Airport

le Number: ______________________
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

ırpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and
ṡpend grant funds.

ıe following describes the grant referred to in the accompanying resolution:

Grant Title: *2000 Airport CNG Light Duty, High Mileage Vehicle Project*

Department: *Airport Commission*

Contact Person: *Roger Hooson* Telephone: *(650) 821-6511*

Grant Approval Status (check one):

[x] Approved by funding agency [ ] Not yet approved

Amount of Grant Funding Approved or Applied for: *$100,000*

a. Matching Funds Required: $ *None*
b. Source(s) of matching funds (if applicable):

a. Grant Source Agency: *Bay Area Air Quality Management District*
b. Grant Pass-Through Agency (if applicable):

Proposed Grant Project Summary:

wo San Francisco International Airport door-to-door van operators will acquire a total of 25 natural gas vans r service at SFO.

Grant Project Schedule, as allowed in approval documents, or as proposed:

Start-Date: *1/01* End-Date: *5/01*

). Number of new positions created and funded: *None*

1. If new positions are created, explain the disposition of employees once the grant ends?
N/A

2a. Amount budgeted for contractual services: *None*

b. Will contractual services be put out to bid? *N/A*

c. If so, will contract services help to further the goals of the department's MBE/WBE requirements? *N/A*

d. Is this likely to be a one-time or ongoing request for contracting out? *N/A*

13a. Does the budget include indirect costs? [ ] Yes [x] No

b1. If yes, how much? $
b2. How was the amount calculated?

c. If no, why are indirect costs not included?
[ ] Not allowed by granting agency [x] To maximize use of grant funds on direct services
[ ] Other (please explain):

14. Any other significant grant requirements or comments:

****Disability Access Checklist*****

15. This Grant is intended for activities at (check all that apply):

[x] Existing Site(s) [ ] Existing Structure(s) [x] Existing Program(s) or Service(s)
[ ] Rehabilitated Site(s) [ ] Rehabilitated Structure(s) [ ] New Program(s) or Service(s)
[ ] New Site(s) [ ] New Structure(s)

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability Reviewer: *Ron Fong*

Date Reviewed: Feb 14, 2001

Department Approval: Ron Fong ADA Program Manager
(Name) (Title)

R. Fong
(Signature)

Item 7 - File 01-0352

Department:	Airport
Item:	Resolution authorizing the Airport Commission to accept and expend a grant in the amount of $99,000 from the Bay Area Air Quality Management District (Air District) for acquisition or lease of light duty Compressed Natural Gas (CNG) automobiles and vans by Airport vehicle operators.
Grant Amount:	$99,000
Grant Period:	January 1, 2001 through May 31, 2001 (five months)
Source of Funds:	Transportation Fund for Clean Air (TFCA) administered by the Bay Area Air Quality Management District (Air District)
Description:	The Airport's Clean Vehicle Policy was created in February of 2000 to encourage transportation operators at the Airport to replace a portion of their gasoline- and diesel-powered vehicles with clean Compressed Natural Gas (CNG) vehicles. The subject funds would be provided by the Air District to the Airport to subsidize the incremental cost of 22 light duty vehicles over gasoline- and diesel-powered vehicles. The grant would provide funding to the Airport, which would disburse funds for partial payment of vehicle acquisition or lease costs to the following transportation operators at the Airport: (1) Environmental Vehicle (EV) Rentals to purchase 14 CNG Honda Civics which would be used as rental cars by Budget Rent-A-Car at SFO, (2) Courtyard by Marriott to lease five Ford E350 vans for hotel courtesy shuttle service between the Airport and three Marriott hotels, (3) Radisson Hotel to purchase two Ford E350 extended vans for hotel courtesy shuttle service between the Airport and the Radisson Hotel, and (4) Vagabond Inn to purchase one Ford Supreme Sentinel van for courtesy shuttle service between the Airport and the Vagabond Inn. Emissions for the 22 CNG vehicles must be below the level specified by the Air District. Further, the light duty vehicles must weigh less than 10,000 lbs. with no restriction on mileage permitted per vehicle.

According to Mr. Roger Hooson of the Airport, the Air District contributes up to a maximum of $4,500 per vehicle toward the incremental cost of CNG Super Low Emission Vehicles over gasoline- and diesel-powered vehicles. Attachment I, provided by the Airport, shows that the grant provides approximately 17.4 percent, or $99,000, of the total cost to acquire or lease the 22 CNG vehicles, which would be $567,360. EV Rentals, Courtyard by Marriott, Radisson Hotel and Vagabond Inn would each pay their share of the remaining balance of $468,360, or approximately 82.6 percent, of the estimated total cost of $567,360 to acquire or lease the 22 CNG vehicles. According to Mr. Hooson, the Airport would not provide any Airport revenues for the cost of the CNG vehicles. Further, according to Mr. Hooson, the Airport would not be responsible for any maintenance and operating costs incurred by the 22 CNG vehicles.

The Airport would administer the subject grant, disburse funds to the four transportation operators (EV Rental, Courtyard by Marriott, Radisson Hotel, and Vagabond Inn) and monitor the project. The Airport would absorb the administrative costs of the grant application process and the Airport will also contribute some staff time estimated to cost $1,000 in administering the funds and monitoring operator compliance, through the use of Airport revenues.

Budget:

Attachment I, provided by the Airport, contains budget details for the subject grant funds.

Mr. Hooson advises that all costs under this grant are capital costs, and 100 percent of the funds would be used toward the acquisition or lease of the 22 CNG fueled vehicles including 14 automobiles and 8 vans made by the four transportation operators. The actual amount paid by the Air District depends on the number and type of the CNG vehicles ultimately acquired by the four transportation operators, and the incremental costs of each vehicle purchased or leased, compared to the closest gasoline- or diesel-powered model. However, based on the estimated cost data provided by the Airport, a total of 22 CNG vehicles would be acquired or leased and the Airport District would pay up to a maximum of $4,500 per vehicle.

Airport Matching Funds for Vehicle Acquisition or Lease: None

Indirect Costs: Indirect costs would be waived in order to maximize use of grant funds on direct services.

Comments:

1. According to Mr. Hooson, in May of 2000, the Airport notified 67 transportation operators at the Airport, including door-to-door shuttle operators, hotel courtesy shuttle operators, off-Airport parking operators, Airline crew shuttle operators and scheduled bus operators of the availability of the subject funds and related funds, including the grant contained in Item 7, File 01-0351 of this report to the Finance Committee. Four transportation operators, namely EV Rental, Courtyard by Marriott, Radisson Hotel, and Vagabond Inn, responded to the notification with light duty vehicles which qualify for funding under the subject grant. All four transportation operators were selected to receive a portion of the subject grant funds.

2. The four transportation operators mentioned above would compile vehicle maintenance histories and provide the data to the Airport. The four transportation operators would be required to participate in audits that, if deemed necessary, would be conducted by the Airport and the Air District to verify their compliance with grant guidelines.

3. Attachment II is the Airport's Grant Application Information Form, which includes the Disability Access Checklist.

4. Item 6, File 01-0351, of this report to the Finance Committee also pertains to one other Airport grant related to the acquisition of 25 CNG vehicles that would provide door-to-door shuttle service between the Airport and various passenger destinations.

5. Since the subject grant period began on January 1, 2001 the proposed resolution should be amended to provide for retroactive authorization.

Recommendations:

1. Amend the proposed resolution to provide for retroactive authorization, in accord with Comment No. 5 above.

2. Approve the proposed resolution, as amended.

ATTACHMENT I

FILE 01-0352: PROPOSED DISTRIBUTION OF GRANT FUNDS

Transport Operator	Vehicle Make	Vehicle Model	Seats	Base Vehicle Cost (a,b)	Grant Funds Per Vehicle	Subtotal	Vehicles	Total Grant Funds	Total Cost
EV Rental	Honda	Civic GX 2000 Auto	5	$14,076	$4,500	$18,576	10	$45,000	$185,760
EV Rental	Honda	Civic GX 2001 Auto	5	$14,716	$4,500	$19,216	4	$18,000	$76,864
Courtyard by Marriott	Ford	E350 Van	9	$32,730 (c)	$4,500	$37,230	5	$22,500	$186,150
Radisson Hotel	Ford	E350 Van	9	$30,500	$4,500	$35,000	2	$9,000	$70,000
Vagabond Inn	Ford	Supreme Sentinel	9	$44,086	$4,500	$48,586	1	$4,500	$48,586
Total							22	$99,000	$567,360

(a) Paid in full by third party vehicle operators, not by the City.

(b) Approximates cost of gasoline-powered vehicle.

(c) Capitalized cost for determination of lease payments.

022715W.rh1

Source: Airport

File Number: ____________________
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: *2000 Airport CNG Light Duty Vehicle Project*

2. Department: *Airport Commission*

3. Contact Person: *Roger Hooson* Telephone: *(650) 821-6511*

4. Grant Approval Status (check one):

   [x] Approved by funding agency [ ] Not yet approved

5. Amount of Grant Funding Approved or Applied for: *$99,000*

6a. Matching Funds Required: $ *None*
b. Source(s) of matching funds (if applicable):

7a. Grant Source Agency: *Bay Area Air Quality Management District*
b. Grant Pass-Through Agency (if applicable):

8. Proposed Grant Project Summary:

A San Francisco International Airport clean air rental car vendor will acquire 14 natural gas Honda Civics for rent, while several hotel courtesy shuttle operators will acquire natural gas vans.

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

   Start-Date: *1/01* End-Date: *5/01*

10. Number of new positions created and funded: *None*

11. If new positions are created, explain the disposition of employees once the grant ends?
    N/A

12a. Amount budgeted for contractual services: *None*

b. Will contractual services be put out to bid? *N/A*

c. If so, will contract services help to further the goals of the department's MBE/WBE requirements? *N/A*

d. Is this likely to be a one-time or ongoing request for contracting out? *N/A*

a. Does the budget include indirect costs? [ ] Yes [x] No

b1. If yes, how much? $
b2. How was the amount calculated?

c. If no, why are indirect costs not included?
[ ] Not allowed by granting agency [x] To maximize use of grant funds on direct services
[ ] Other (please explain):

. Any other significant grant requirements or comments:

Disability Access Checklist***

. This Grant is intended for activities at (check all that apply):

Existing Site(s)	[ ] Existing Structure(s)	[x] Existing Program(s) or Service(s)
Rehabilitated Site(s)	[ ] Rehabilitated Structure(s)	[ ] New Program(s) or Service(s)
New Site(s)	[ ] New Structure(s)	

. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal d concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and other Federal, State and local access laws and regulations and will allow the full inclusion of persons with sabilities, or will require unreasonable hardship exceptions, as described in the comments section:

omments:

epartmental or Mayor's Office of Disability Reviewer: *Ron Fong*

ate Reviewed: Feb 14, 2001

epartment Approval: Ron Fong ADA Program Manager
(Name) (Title)

(Signature)

Item 8 - File 01-0249

Department: Department of Elections

Item: Supplemental appropriation ordinance for $2,538,692 from the General Fund Reserve to fund salaries, fringe benefits, other current expenses, materials and supplies and equipment.

Amount: $2,538,692

Source of Funds: General Fund Reserve

Budget:

Temporary Salaries	$498,572
Overtime-Miscellaneous	620,564
Mandatory Fringe Benefits	86,845
Other Current Expenses	541,570
Materials and Supplies	316,971
Equipment Purchase	71,201
Services of Other Depts.	
Dept. of Telecommunication & Information Services (DTIS)	122,416
DTIS – Citywatch	7,829
City Attorney	15,000
Parking and Traffic	47,724
Purchasing-Reproduction	10,000
DPW-Building Repairs	75,000
DPW-Administration	125,000
Total	**$2,538,692**

Description: The proposed supplemental appropriation for $2,538,692 would fund a projected FY 2000-2001 deficit for the Department of Elections pertaining to (1) the November 2000 General Election, (2) the December 2000 Runoff Elections for the Board of Supervisors and (3) the Department's projected operating costs for the remainder of the fiscal year. Mr. Ara Minasian of the Department of Administrative Services advises that approximately $1,838,692 or 72.4 percent of the requested $2,538,692 has already been incurred by the Department. The projected deficits, by amounts are described as follows:

Temporary Salaries

The Department is requesting an additional $498,572 to pay for the increase in Temporary Salaries staff hours consisting of: (a) high turnover of Permanent Staff, which led to the need to hire more Temporary Staff (projected Permanent Staff salary savings of $332,046 are being used to offset the total projected $829,618 increase in Temporary Staff salaries) for a net deficit of $497,572; and (b) a $1,000 increase in Premium Pay for Temporary Staff because approximately 12 employees were required to work during the night shift due to space limitations during the day. Therefore, a total $498,572 is being requested. Other reasons for this deficit include: (1) the logistical difficulties of dealing with the three-page, 19 inch by 9.75 inch November of 2000 ballot affected the Department's operation at all phases of the election process thereby requiring additional Temporary Staff to be used to move, sort and tabulate the ballots; (2) the recruitment, training and scheduling of additional pollworkers by Temporary Staff; and, (3) the current reapportionment task, which will extend through February of 2002, based on the 2000 U.S. Census in which the Congressional Districts will be redrawn, requiring the Department to require additional Temporary Staff to review the boundaries and modify the voters' precinct assignments and locations. The Department advises that they will be requesting an as yet undetermined amount of additional Temporary Salary funds to complete the reapportionment task in the forth coming FY 2001-02 budget.

Mr. Minasian states that $1,050,938 was originally budgeted for Temporary Staff in FY 2000-01, $1,786,477 has been expended to date, and $1,880,556 is projected to be expended by the end of FY 2000-01, an increase of $829,618, or 78.9 percent more than budgeted. It should be noted that these additional Temporary Salary funds are not to cover the costs of the additional pollworkers located at each polling place, since these pollworker expenses are included under Other Current Expenses. An estimated $735,539 of the $829,618 in Temporary Salary monies over the approved budget has already incurred by the Department, prior to obtaining appropriation approval by the Board of Supervisors.

Overtime-Miscellaneous

The Department is requesting an additional $620,564 to pay for Overtime worked by both Temporary staff ($580,564) and Permanent staff ($40,000). According to Ms. Christiane Hayashi, the City Attorney assigned to work as the Community Outreach Manager at the Department of Elections, the Overtime expenses for both the Permanent and Temporary Staff was primarily due to (1) the implementation of the new optical voting technology system, which was more complicated than anticipated, (2) the failure of the optical voting technology system vendor, Election Systems and Software Inc. (ESS), to fulfill their contractual obligations (See Comment No. 7), and (3) the limited space at the Department of Elections at City Hall, which necessitated the use of various small offices throughout City Hall as well as other facilities (i.e., Bill Graham Auditorium, Brooks Hall and Pier 39), which made each task far more time-consuming, according to Ms. Hayashi. Additionally, Ms. Hayashi states that additional Overtime expenditures were incurred because of the high Permanent staff turnover.

A total of $199,436 was budgeted for Overtime for Permanent and Temporary employees in FY 2000-01, but, according to Mr. Minasian, $820,000 is projected to be spent by the end of FY 2000-01 on Overtime for both Permanent and Temporary employees, an increase of $620,564, or over 311 percent more than budgeted. Mr. Minasian advises that there is no budgeted Overtime for either Permanent or Temporary staff for the remainder of FY 2000-01. The expenditure of additional Overtime funds of $620,564 has already been incurred by the Department, prior to obtaining appropriation approval from the Board of Supervisors.

Mandatory Fringe Benefits

The Department is requesting an additional $86,845 to pay for the Mandatory Fringe Benefits associated with the projected deficits in Temporary Salary and Overtime-Miscellaneous costs identified above.

Other Current Expenses

The Department is requesting an additional $541,570 to offset the costs for (1) the longer 3-page ballots and Voter Information Pamphlets, (2) pollworker fees, (3) rental of polling locations, (4) increased postage and delivery costs, (5) additional printing expenses, (6) community outreach and advertising, (7) translation services, (8) computer programming assistance, (9) the rental of vehicles, property and equipment and (10) the service fee payment to ESS. Some of the more significant cost overruns are discussed below.

The Department had estimated ballot costs of $512,000 based on a two-page ballot for the November, 2000 election, but the large number of initiatives and candidates required a three-page ballot, which cost $738,853, $226,853 or 44.3 percent more than budgeted. According to Ms. Hayashi, the Department did not know the length of the ballot until after the FY 2000-01 budget was approved, because the due date filing ballot measures was August 9, 2000 and the due date for the candidate filings was August 16, 2000. Therefore, Ms. Hayashi advises that it was impossible to know the length of the ballot until September of 2000. Mr. Minasian notes that the Department budgeted $306,400 for the ballots for the December runoff election, but only spent $205,244, a savings of $101,156, which the Department used to partially offset the increased cost from the November election. Therefore, the total additional costs for the ballots was $125,697 ($226,853 less $101,156).

In addition, the Department estimated costs of $485,000 for the Voter Information Pamphlet based on a 175-page historical average, but the actual November Pamphlet was 300 pages, which cost $654,093, including all of the additional translation and printing costs, an increase of $169,093, or 34.9 percent. Mr. Minasian advises that the Voter Information Pamphlet for December was estimated to cost $131,500, but only cost $95,561, a savings of $35,939, which the Department again used to partially offset the increased costs of the November Voter Information Pamphlet. Therefore, the total deficit for the Voter Information Pamphlet was $133,154 ($169,093 less $35,939).

According to Ms. Hayashi, California State Election Code Section 12304 requires that at least 3 poll workers, including one Inspector, be placed at each polling location. Ms. Hayashi states that there are 637 polling places in San Francisco. Therefore, the Department needed to hire at least 1,911 poll workers. Ms. Hayashi states that the Department hired approximately 2,792 or approximately 4.4 poll workers per polling site for the November election and approximately 2,167 or 3.4 poll workers per polling site for the December election. According to Ms. Hayashi, the Department hired these additional poll workers to ensure that there were sufficient poll workers to assist voters in using the new optical voting technology system. Ms. Hayashi states that the daily pay rate for the poll worker is $82 and $105 for the Inspectors. The total cost for the poll workers, including training and related fees was approximately $416,000 in November and $230,000 in December, for a total cost of approximately $646,000 for both elections.

The Department also significantly underestimated the costs of postage at $386,500. The actual postage cost was $808,500, $422,000 or 109.2 percent more than the amount budgeted for the Voter Information Pamphlets and the absentee ballots for both the November and December elections.

In addition to the costs of renting the 637 polling sites at an estimated cost of $89,000 for the two elections, the Department budgeted a total of $50,000 for the rental of facilities, equipment and vehicles for FY 2000-01, the same amount budgeted in FY 1999-2000. However, the Department actually projects spending $59,322 for the rental of facilities, $80,904 for rental of equipment (including a total of $23,636 for portable toilets at various polling sites) and $101,556 for the rental of vehicles, for a total rental cost of $241,782, which is $191,782 or 383.6 percent more than the $50,000 the Department budgeted. The Department of Elections did not coordinate the rental of these numerous vehicles through the City Purchaser's Office, also resulting in higher costs than would otherwise be necessary.

Also included in these Other Current Expenses is an additional $251,000 service fee payment to Election Systems and Software, Inc. (ESS), the optical scanning technology equipment vendor (See Comment No. 7).

Mr. Minasian states that in addition to the total budgeted costs of $2,469,669 for Other Current Expenses, an additional $1,173,791, or 47.5 percent more than budgeted is projected to be expended by the end of FY 2000-2001, for a total of $3,643,461. The additional $1,173,791 includes (1) $125,697 for the ballots, (2) $133,154 for the Voter Information Pamphlet, (3) approximately $75,500 for the additional poll workers, (4) $422,000 for postage, (5) $191,782 for the rental of facilities, equipment and vehicles and (6) $225,658 for various miscellaneous increases. Mr. Minasian advises that the additional $1,173,791 in Other Current Expenses will be covered by the proposed supplemental appropriation in the requested amount of $541,570, as well as with $540,556 in unexpended capital project carry-forward funds remaining from the supplemental appropriation in FY 1999-2000 and $91,665 in interdepartmental recovery funds[1] (See Comment No. 4).

Materials and Supplies

The Department is requesting an additional $316,971 for Materials and Supplies to primarily pay for the costs of 4,600 new voting booths. According to Ms. Hayashi, the Department had budgeted $375,000 for the cost of these new voting booths based on a verbal agreement between the booth vendor, Election Data Corporation, and a previous Department of Election Division Manager that the vendor would honor a trade-in. However, according to Ms. Hayashi, the vendor did not honor the voting booth trade-in, which meant that the Department under-budgeted for the costs of the voting booths by approximately $230,000, since the total cost of the voting booths was $605,000 ($375,000 plus $230,000). Ms. Hayashi further states that since the trade-in agreement was only a verbal agreement between the vendor and a prior Department employee, and documentation is not

[1] Mr. Minasian advises that the Department will receive a total of $91,665 of workorder funds from the Retirement Board and the Health Services Board to conduct their own Departmental elections for each of these City Boards.

available, the Department is not pursuing recovery of these additional costs. The new voting booths have an estimated life-span of 15 years. Mr. Minasian advises that that the remaining $86,971 (the $316,971 request less $230,000 for the voting booths) for Materials and Supplies is primarily for the increased costs for the envelopes and mailing of the larger than anticipated absentee and provisional ballots.

Equipment Purchase

The Department is requesting an additional $71,201 for (1) $6,201 in additional computer equipment costs and (2) $65,000 in net interest costs for the optical voter machine lease. It should be noted that a total of $3,249,739 was budgeted for equipment purchases, primarily for the new optical voting technology system for the Department in FY 2000-01.

Dept. of Telecommunication and Information Services (DTIS)

The Department is requesting an additional $122,416 to pay the Department of Telecommunication and Information Services (DTIS) for the staff and technical assistance during the implementation of the optical scan voting system and for routine support of the Department of Elections network and computer equipment needs. Ms. Hayashi advises that the Department needed additional DTIS support because they were unable to hire an in-house information systems person, whom they had hoped to hire earlier, and therefore they underbudgeted the amount they needed for DTIS. Ms. Hayashi advises that with the in-house information systems staff which have now been hired, the DTIS assistance should be reduced in the future. The expenditure of this $122,416 for additional DTIS services has already been incurred by the Department, prior to obtaining appropriation approval from the Board of Supervisors.

DTIS-Citywatch

The Department is requesting an additional $7,829 to pay for the crew, equipment and videotape provided by Citywatch for the production and post-production of the Department's Public Service Announcement and informational videos created between August 3, 2000 and

October 16, 2000. The expenditure of this $7,829 for these Public Service Announcements and informational videos has already been incurred by the Department of Elections, prior to obtaining appropriation approval from the Board of Supervisors.

City Attorney

The Department is requesting an additional $15,000 to pay for Ms. Hayashi's salary and fringe benefits for the remainder of the FY 2000-01. According to Ms. Hayashi, she was assigned to duties including contract management and Community Outreach Manager for the Department of Elections beginning in February of 2000. The Department originally budgeted $60,000 as a workorder for the City Attorney for FY 2000-01. If the proposed supplemental appropriation of $15,000 is approved, a total of $75,000 would be appropriated for City Attorney services this fiscal year.

According to Ms. Martie Moore from the City Attorney's Office, Ms. Hayashi's annual salary and fringe benefits total $137,580 and Ms. Hayashi is assigned full-time to the Department of Elections. Ms. Moore advises that she has billed the Department $68,790 for Ms. Hayashi's services from July 1, 2000 through December 31, 2000, and she will bill the Department of Elections an additional $68,790 for the second half of FY 2000-01, for a total of $137,580. Therefore, the proposed supplemental appropriation for the subject request for Ms. Hayashi's salary and benefits in the amount of $15,000 would not be sufficient to cover the additional costs of $68,790 for Ms. Hayashi, given the fact that the Department already owes the City Attorney's Office an additional $8,790 ($68,790 billed less $60,000 originally budgeted) for the first half of FY 2000-01. Therefore, the total projected amount owed to the City Attorney is $77,580 ($137,580 less $60,000 budgeted).

To pay for the additional City Attorney expense of $77,580, Mr. Minasian states that, the Department will use a $20,000 surplus in Mail Servicing, together with the proposed supplemental appropriation for $15,000. Mr. Minasian also indicates that the Department will

negotiate with the City Attorney for the remainder of the balance of $42,580.

Parking and Traffic

The Department is requesting an additional $47,724 to pay the Department of Parking and Traffic, for the November and December elections, in which the Department of Elections arranged to have Parking Control Officers (PCOs) pick up the optical scan system memory packs[2] from each of the polling places immediately after the polls closed and transport them to City Hall. The Budget Analyst questions the expenditure of these funds for DPT's PCOs to transport the optical scan system memory packs, instead of using some of the Department of Elections pollworkers from each site, especially since the Department of Elections had already hired additional pollworkers to staff each election site and rented numerous vehicles. According to Mr. Phillip Paris, the Acting Director of Elections, the pollworkers did not deliver the memory packs to City Hall because most did not have their own vehicles and the Election Inspector had to wait until the ballots were picked up by the Department of Public Works, which would have caused significant delays. The expenditure of this $47,724 has already been incurred by the Department prior to obtaining appropriation approval from the Board of Supervisors.

Purchasing – Reproduction

The Department is requesting an additional $10,000 to pay the Reproduction Division of the Purchasing Department for the costs of poll worker training manuals and voter information packets. The expenditure of this $10,000 has already been incurred prior to obtaining appropriation approval from the Board of Supervisors. According to Mr. Minasian, additional expenditures beyond this requested $10,000 will not be workordered to Reproduction Services for the remainder of the fiscal year.

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[2] The optical scan system memory packs record the votes as the ballots are scanned into the Eagle, the optical scan voting machine that reads the ballots. The memory packs can be removed from the Eagle and taken to City Hall where the voting results are downloaded. The votes are subsequently certified.

Department of Public Works - Building Repairs

The Department is requesting an additional $75,000 to pay the Building Repair Division of the Department of Public Works (DPW) for the costs of making modifications and repairs to the Department of Elections office and public spaces, that were used temporarily for the November and December elections of 2000 (See Comment No. 5).

Department of Public Works – Administration

The Department is requesting an additional $125,000 to pay DPW's Administration Division because the November, 2000 three-page ballots were too heavy for the poll workers to transport. As a result, the Department of Elections arranged for DPW staff to both deliver the November ballots to each precinct on election morning and to pick them up that evening. For the one-page December election, the poll workers transported the ballots themselves (See Comment No. 6).

Comments:

1. Attachment 1, provided by Ms. Hayashi, explains some of the factors associated with the new voting technology that was implemented for the November and December 2000 elections, which partially resulted in the projected deficit necessitating this proposed supplemental appropriation request. In addition, Mr. Paris, who was hired in November of 2000, advises that a high turnover in the Department's Division Manager staff also resulted in a lack of adequate management and supervision of Temporary personnel, Overtime and some of the Other Current Expenses during this period. According to Mr. Minasian, there are four Permanent Division Manager positions within the Department including (1) one Division Manager position which has been vacant for over one year, (2) one Division Manager position which has remained vacant since the Spring of 2000, (3) one Division Manager position which became vacant in October of 2000, and (4) one Division Manager position which became vacant in February of 2001. As a result, there are no Division Manager positions currently filled in the Department. In addition, the Director of the Department is currently on maternity leave. Mr. Minasian advises that these positions will remain vacant for the rest of this fiscal year, in order to provide Permanent Salary Savings

of $332,046 to offset a portion of the Temporary Salary funds requested in the subject supplemental appropriation.

2. The Department of Elections had an original total FY 1999-2000 budget of $4,455,403, to cover their annual operating expenses, including the costs of the November of 1999 election and the March of 2000 election. Exactly one year ago, in March of 2000, the Board of Supervisors approved a General Fund supplemental appropriation for $2,290,097, primarily to cover the one-time costs of (1) an unplanned third election in FY 1999-2000 for the December of 1999 Mayoral and District Attorney run-off election ($1,482,730), (2) purging the voter rolls ($210,309), (3) upgrading the Department's information and voter registration scanning systems ($497,058) and (4) providing funding for the necessary project management and critical technical resources to ensure that the new optical scan vote count system was implemented successfully ($100,000). The Department thus received a total budget of $6,745,500 in FY 1999-2000.

For FY 2000-2001, the Board of Supervisors approved a budget of $10,051,234 for the Department, which was $5,595,831, or approximately 126 percent more than the FY 1999-2000 original budget to cover the Department's annual operating and capital expenses, including the anticipated costs of a November of 2000 General Election and a December of 2000 runoff election. The primary FY 2000-2001 budgetary increases of $5,595,831 included (1) $3,249,739 for the purchase of a new optical scan vote count system, (2) $1,003,416 for a new Election Services Project, which was a special enhanced project team intended to ensure the successful implementation of the new optical scan vote count system, and (3) $969,013 for additional expenditures related to the ballots for the new optical scan vote count system.

The proposed supplemental appropriation request for an additional $2,538,692 would result in a total budget appropriation of $12,589,926 for the Department of Elections in FY 2000-01, or $5,844,426, or 86.6 percent

more than the FY 1999-2000 total revised budget of $6,745,500.

3. The Budget Analyst notes that of the requested supplemental appropriation of $2,538,692, approximately $1,838,692 has already been expended, without obtaining prior appropriation approval from the Board of Supervisors. According to Mr. Paris, the former Director of Elections, Patricia Fado, authorized these much higher than anticipated expenditures. Ms. Taylor Emerson of the Mayor's Office advises that the former Director of the Department of Elections verbally notified the Mayor's Office prior to the November of 2000 election that the Department of Elections would not have sufficient funds in their budget to conduct the November and December 2000 elections, and would require a supplemental appropriation during FY 2000-01 to cover these additional expenses. However, the Budget Analyst was not provided with such notification for the Board of Supervisors. Attachment 2, provided by Mr. Paris identifies plans that the Department has to contain costs in the future, including one-time only expenditures that occurred during FY 2000-2001 that are not expected to occur in subsequent years.

4. The Budget Analyst's review of the Controller's records found that the Department shifted $900,000 from Capital Expenses to cover the additional Other Current Expenses that the Department was incurring. The Department had budgeted $3,241,739 for Capital Expenses for the purchase of the optical scan voting technology system and to date, has authorized payments of $2,400,000 for this system through a third party loan arrangement, leaving a remaining balance of approximately $800,000 to be paid, assuming interest earnings on the original loan amount. However, the Department is currently negotiating with the optical scan voting technology system vendor, ESS, to determine whether the City should continue to purchase this system or apply the previous payments to a lease of this equipment, such that the $800,000 additional purchase payments might not be necessary and to resolve outstanding contract issues (See Comment No. 7). Ms. Hayashi advises that the amount that will be due to ESS may change as a result of these negotiations.

The Budget Analyst therefore recommends that the Department reserve $800,000 from the subject supplemental appropriation request, pending the outcome of these contract negotiations. The $800,000 reserve would include $541,570 from Other Current Expenses, $71,201 from Equipment Purchase and $187,229 from Materials and Supplies. In addition, the Budget Analyst recommends that the Board of Supervisors reserve an additional $251,000 from the Department's already appropriated funds for Other Current Expenses for the Election Systems and Software, Inc. service fee payment, pending the outcome of the contract negotiations and potential modifications (See Comment No. 7).

5. According to the DPW, a total of $73,195, not $75,000 was billed to the Department of Elections for modifications and repairs. Therefore, the subject supplemental appropriation should be reduced by $1,805.

6. The Department has requested $125,000 to pay DPW for DPW's staff overtime costs incurred to transport the ballots from each precinct before and after the election. However, the Budget Analyst notes that these same overtime costs are included in the DPW's request for release of $504,225 of overtime costs, that is currently pending before the Finance Committee (File 01-0268), scheduled to be heard on March 21, 2001 by the Finance Committee. Therefore, the requested $125,000 should be deleted from the subject supplemental appropriation.

7. The Department selected Election Systems and Software, Inc. (ESS) in March of 1999 following a RFP issued by the Department in January of 1998, to supply the Department with optical voting machines. Ms. Hayashi notes that the Department is currently in negotiations with ESS since the Department believes that ESS failed to provide support services during the November and December of 2000 elections, as per the service contract agreement between the City and ESS. Ms. Hayashi advises that as of the writing of this report, it is unclear if some of the City's costs, such as DPW's Overtime costs for transporting the ballots, are reimbursable from the contractor.

If the contractor is found to have failed to meet the requirements of the contract and monies are due to the City from ESS, according to Mr. Minasian, such funds from ESS would be remitted to the General Fund or extended as a credit against future lease or purchase payments. Additionally, Ms. Hayashi notes that the Department of Elections will attempt to enter into contract renegotiations or modifications to preserve the Department's flexibility in the future, when it plans to upgrade to touch-screen voting. Although the Department had proposed to purchase the optical voting technology system from ESS, as previously noted, the Department is currently analyzing the option of applying the previous purchase payments as lease payments for this equipment, such that the need for additional payments and the amount of such payments to ESS are not currently known.

Ms. Hayashi cannot estimate the costs or savings at this time that the City may realize from any contract modification because these negotiations are presently in progress. Therefore, as noted in Comment No. 4 above, the Budget Analyst recommends that (1) the additional $800,000 of Capital funds that were to be expended on the ESS purchase should be reserved, (2) the $251,000 service fee payment to ESS that has previously been appropriated be reserved and (3) the Department report back to the Finance Committee the results of these negotiations with ESS so that the Committee and the full Board of Supervisors can be aware of any technological and contract changes as well as fiscal impacts that may occur due to such negotiations.

8. Mr. Minasian advises that the Department received a total of $24,627 from numerous individuals and organizations to offset the costs of the Department of Elections conducting the recount from the District 7 Board of Supervisors Runoff Election in December. Ms. Hayashi advises that all of the Department's costs of the recount, which were identified by the California Secretary of State to be eligible for reimbursement, were offset with the $24,627 of revenues received.

9. According to Ms. Hayashi, the City permits individuals to submit paid arguments on ballot measures to be printed in the Voter Information Pamphlet. Currently, the Department charges a $200 fee plus $2 a word for these paid arguments. Ms. Minasian reports that these fees generated total revenues of $113,000, which does not fully cover the actual costs of including the paid arguments in the Pamphlet. The Department reports that the Voter Information Pamphlet for the November election cost $654,093. Ms. Hayashi advises that to more fully cover the costs of including these arguments in the November Pamphlet, the Department would have had to charge a $500 fee plus $5 a word. However, the Department must receive Board of Supervisors approval before the Department can change the fees it charges for paid arguments. Ms. Hayashi notes that San Francisco is the only local California jurisdiction which includes paid arguments in its Voter Information Pamphlets. As of the writing of this report, Ms. Hayashi has not submitted legislation to the Board of Supervisors to change these fees.

10. Revenues for the Department from the paid ballot arguments ($71,000) and the candidate fees ($85,000) were budgeted at $156,000 for FY 2000-01. Actual revenues indicate that the paid ballot arguments generated $113,000 and candidate fees generated $53,606 for a total of $166,606 from these sources, or approximately $10,606 more than the $156,000 budgeted for Fiscal Year 2000-2001.

11. In summary, the proposed supplemental appropriation for $2,538,692 would fund a projected deficit in FY 2000-2001, including $1,838,692 in costs incurred by the Department of Elections, prior to obtaining appropriation approval from the Board of Supervisors. Such costs are related to the November and December 2000 elections, as well as projected operating costs for the remainder of the fiscal year. For example, the Department of Elections overspent (1) Temporary Salaries by $829,618 or 78.9 percent more than budgeted, (2) Overtime-Miscellaneous by $620,564 or over 311 percent more than budgeted, (3) Mandatory Fringe Benefits by $86,845 to reflect the additional Temporary

Salary and Overtime-Miscellaneous expenditures, (4) Other Current Expenses by $1,173,791 or 47.5 percent more than budgeted, (5) Materials and Supplies by $316,971, (6) Equipment Purchases by $71,201, and the Services of Other City Departments by an additional $402,969, including the services of DTIS, City Attorney, Parking and Traffic, Reproduction and DPW. The new optical scanning voting technology system, as outlined in Attachment 1, partially resulted in the proposed increased election costs. In addition, as noted in Comment No. 1 above, a lack of adequate management and supervision of (a) Temporary personnel, (b) Overtime and (c) some of the Other Current Expenses contributed to the need for the proposed $2,538,692 supplemental appropriation request.

In FY 1999-2000, the Department of Elections had a total revised budget of $6,745,500 (including $2,290,097 for a supplemental appropriation in March of 2000) to cover the additional cost of three elections. For FY 2000-2001, the Board of Supervisors approved a budget of $10,051,234. The proposed supplemental appropriation request for an additional $2,538,692 would result in a total budget of $12,589,926 for the Department in FY 2000-2001, which is $5,844,426 or 86.6 percent more than the FY 1999-2000 total revised budget of $6,745,500. Attachment 2 identifies some cost containment plans prepared by the Department for the future.

The City Attorney is currently in negotiations with Elections Systems and Software, Inc. (ESS) pertaining to a potential default of some service contract provisions in the agreement between the City and ESS. Additionally, the Department of Elections will attempt to enter into contract renegotiations or modifications to potentially change the current purchase agreement into a lease arrangement or other more flexible arrangements.

The Budget Analyst therefore recommends that (1) $1,838,692 of the proposed supplemental be made retroactive since these costs have already been incurred by the Department, without obtaining prior approval from the Board of Supervisors, (2) the proposed supplemental be reduced by $126,805 for DPW expenses, (3) an

additional $800,000 of Capital funds that were to be paid to ESS for the purchase of optical voting technology system be reserved, (4) the $251,000 service fee payment to ESS, which has previously been appropriated be reserved and (5) the Department report back to the Finance Committee the results of the negotiations with ESS so that the Committee is advised of any technological and contract changes as well as fiscal impacts that result from the negotiations.

Recommendations: 1. Reduce this proposed supplemental appropriation by $126,805 from $2,538,692 to $2,411,887 as shown in the following table:

	Amount Requested	Budget Analyst's Recommended Amount	Budget Analyst Recommended Reductions
Temporary Salaries	$498,572	$498,572	$0
Overtime-Miscellaneous	620,564	620,564	0
Mandatory Fringe Benefits	86,845	86,845	0
Other Current Expenses	541,570	541,570	0
Materials and Supplies	316,971	316,971	0
Equipment Purchase	71,201	71,201	0
Services of Other Departments			
DTIS	122,416	122,416	0
DTIS – Citywatch	7,829	7,829	0
City Attorney	15,000	15,000	0
Parking and Traffic	47,724	47,724	0
Purchasing-Reproduction	10,000	10,000	0
DPW-Building Repairs	75,000	73,195	1,805*
DPW- Administration	125,000	0	125,000**
Total	$2,538,692	$2,411,887	$126,805

* See Comment No. 5.

** See Comment No. 6.

2. Reserve a total of $800,000, including $541,570 from Other Current Expenses, $187,229 from Materials and Supplies and $71,201 from Equipment Purchase, in accordance with Comment Nos. 4 and 7 above.

3. Amend the proposed ordinance to reserve an additional $251,000 of previously appropriated FY 2000-2001 funds for the Department in accordance with Comment Nos. 4 and 7 above.

4. Amend the proposed ordinance to provide for retroactive approval of the subject $2,538,692 supplemental appropriation since the Department has already expended or incurred approximately $1,838,692 of these expenses, without first obtaining appropriation approval from the Board of Supervisors.

5. Request the Department of Elections to report back to the Finance Committee as to the results of the contract renegotiations with Elections Systems and Software, Inc. pertaining to any technological, contract and fiscal impacts regarding this contract, in accordance with Comments No. 4 and 7 above.

6. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

Attachment 1

DEPARTMENT OF ELECTIONS
City and County of San Francisco

PHILLIP SÁNCHEZ PARIS
Acting Director of Elections

TO: Maureen Singleton
Budget Analyst's Office

FROM: Christiane Hayashi
Department of Elections

RE: Supplemental Appropriation Request

DATE: February 28, 2001

The need for a supplemental appropriation for the Department of Elections has arisen due to several factors associated with implementing a new voting technology in the Presidential election of November 7, 2000.

The new system introduced new variables, so that the logistical requirements for a successful election were very complex and work intensive to develop the first time. For example, poll workers had been accustomed to bring ballots back to City Hall at the end of the night. With the new system it was necessary to plan and execute pick-up routes throughout the City to pick up the large ballot boxes and the heavy ballots.

The new system also depended on poll worker recruitment and training to ensure sufficient poll workers to assist voters. Developing materials for training, training trainers, recruiting and scheduling several thousand poll workers for planned training sessions and distributing the larger precinct supplies was a critical task that required a relatively high level of staffing.

The ballot's size contributed substantially to labor costs. Absentee ballots were more time consuming to assemble for mailing, and took more time to be prepared for processing through the central counting machines. An advantage of the new system also increased costs: new paper ballots made it possible to correct ballots that clearly demonstrated voter intent but that could not be read by the optical scanner. A significant amount of labor went into remaking approximately 20,000 ballot cards to be sure that the votes were counted.

Lack of space for processing ballots also increased costs. Using the small conference rooms of the City Hall basement to store heavily loaded mail carts made the extensive ballot sorting needed for the canvass of the election immensely difficult. The far-flung locations of the several operational centers of the department and the size of the ballots and voting machines to be transported increased automobile rental costs.

The popularity of the election also contributed to cost overruns. The Department processed18 local measures and over 120 local candidates for the November election. The number of candidates and issues on the ballot increased the size of the Voter Information Pamphlet, which in turn increased translation, printing and mailing costs. An unprecedented number of paid ballot arguments constituted 40% of a 300 page Voter Information Pamphlet. The number of issues and candidates on the ballot also increased the size of the ballot from two cards to three cards, substantially increasing printing and handling costs.

Some of the cost overruns were attributable to contract issues with the vendor of the voting system. The Department is currently working to recover additional costs attributable to the contractor.

DEPARTMENT OF ELECTIONS
City and County of San Francisco

PHILLIP S. PARIS, PH.D.
Acting Director

Attachment 2

BUDGETARY JUSTIFICATION FOR SUPPLEMENTAL REQUEST

Future Cost Saving Plans

1. Ballot Processing: Currently, we are searching for a large warehouse facility in order to prepare, deliver, and retrieve ballots. By consolidating this process, including absentee and provisional ballots, temporary employee costs in terms of number needed and overtime will be reduced substantially.
2. Voting machine delivery and pickup: We are renegotiating with the vendor to comply with the terms of the initial contract regarding primary responsibility for the delivery and pickup of the Eagle and blue bins.
3. Precinct Poll setup and closeout: We intend to do extensive training of poll workers in the setting up and closing of precinct polling sites. By reducing the possibilities of inadequate processing at the precinct sites, we also shall reduce transportation and temporary worker needs.
4. Consolidation of precinct voting sites: With Board approval, we plan to recommend an additional number of consolidated precinct polling sites. By reducing the number of single sites, we also shall be able to reduce transportation costs.
5. Expansion of early voting sites: With Board approval, we plan to recommend an extension of the time for early voting, as well as, provision of a number of public sites in addition to City Hall.

A series of one-time costs are important to list here.

6. No additional acquisition costs for polling booths.
7. No additional training needs to utilization of optical scan machine.
8. No additional need for a special projects team to develop and conduct election.
9. No additional need for DTIS special training.
10. No additional need for DPW delivery and pickup services.

3-7-01

1 Dr. Carlton B. Goodlett Place – Room 48, San Francisco, CA 94102-4634
Voice (415) 554-4375; Fax (415) 554-7344; Absentee Fax (415) 554-4372; TDD (415) 554-4386

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21/01

City and County of San Francisco

Meeting Agenda

Finance Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

Wednesday, March 21, 2001 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives.

AGENDA CHANGES

REGULAR AGENDA

1. 010370 **[Appropriation, Aging and Adult Services]**
Supervisor Daly
Ordinance appropriating $1,000,000 for senior program needs and $1,000,000 for infrastructure needs identified by Aging and Adult Services needs assessment survey, and amend the Annual Salary Ordinance to create two (2) positions for fiscal year 2000-01.

(Fiscal impact.)

2/26/01, RECEIVED AND ASSIGNED to Finance Committee.
3/7/01, CONTINUED. Heard in Committee. Speaker: Supervisor Daly. Continued to 3/21/01.

2. 010371 **[Public Employment]**
Supervisor Daly
Ordinance amending Ordinance No. 181-00 (Annual Salary Ordinance, 2000/01) reflecting the creation of two new positions in Aging and Adult Services.

(Fiscal impact.)

2/26/01, RECEIVED AND ASSIGNED to Finance Committee.
3/7/01, CONTINUED. Heard in Committee. Speaker: Supervisor Daly. Continued to 3/21/01.

3. **010145** **[Sublease of Treasure Island Brig Facility for Sheriff's Department]**

Resolution approving a sublease, retroactive to July 1, 2000, between the City and County of San Francisco (The "City") and the Treasure Island Development Authority (The "Authority") for certain property on Treasure Island commonly known as the Brig (Buildings 670 and 671) located at the corner of 13th and M Streets on Treasure Island, for an annual rent not to exceed $250,000 per year. (Real Estate Department)

(Fiscal impact.)

1/24/01, RECEIVED AND ASSIGNED to Finance Committee.

2/28/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Michael Hennessey, Sheriff; Jean Mariani, Chief Financial Officer, Sheriff's Department; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Anthony Delucchi, Director of Property, Real Estate Division, Administrative Services Department. Continued to 3/14/01.

3/14/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Michael Hennessey, Sheriff, Annemarie Conroy, Executive Director, Treasure Island Development Authority. Theodore Lakey, Deputy City Attorney. Continued to 3/21/01.

4. **010372** **[Treasure Island Cooperative Agreement]**

Mayor

Resolution approving and authorizing the Treasure Island Development Authority to enter into the 13th Modification to the Cooperative Agreement with the Navy to extend the Cooperative Agreement to June 30, 2001 for an additional amount of Navy reimbursement not to exceed $145,000.

2/26/01, RECEIVED AND ASSIGNED to Finance Committee

5. **010355** **[Lease Amendment, 1650 Mission Street]**

Resolution authorizing an amendment to lease real property at 1650 Mission Street for the Department of Aging and Adult Services. (Real Estate Department)

(Fiscal impact.)

2/21/01, RECEIVED AND ASSIGNED to Finance Committee.

3/14/01, CONTINUED. Speakers: None. Continued to 3/21/01.

6. **010268** **[Reserved Funds, Dept. of Public Works]**

Hearing to consider release of reserved funds, Department of Public Works (fiscal year 2000-01 budget), in the amount of $504,225 for overtime expenditures and $476,000 to fund the additional General Laborer positions and provide training/transitional employment opportunities for General Assistance welfare recipients. (Public Works Department)

2/7/01, RECEIVED AND ASSIGNED to Finance Committee.

7. **010440** **[Increase of Services of the Budget Analyst for fiscal year 2000-2001]**

Motion amending the Agreement for Professional Budget Analyst Services between the City and County of San Francisco and Stanton W. Jones and Associates/Debra A. Newman/Rodriguez, Perez, Delgado & Company Certified Public Accountants/Harvey M. Rose Accountancy Corporation Certified Public Accountants/Mah & Louie Certified Public Accountants - ("A Joint Venture"), to increase the level of service for Fiscal Year 2000-2001 by $218,208. (Clerk of the Board)

(Fiscal impact.)

3/5/01, RECEIVED AND ASSIGNED to Finance Committee.

8. **010274** **[Business Tax Gross Receipts]**

Supervisors Gonzalez, Peskin, Maxwell, Hall, Sandoval, Daly, McGoldrick

Ordinance amending the Business and Tax Regulations Code to (1) repeal Section 917.1 of Article 12-A and all of Article 12-B to eliminate the gross receipts method of calculating the tax on businesses; (2) enact a new Article 12 to amend business registration requirements consistent with the repeal of Article 12-B; and (3) enact a new Article 12-B to refund gross receipts-based tax payments for the 2000 tax year to the extent that such payments exceeded businesses' tax liability for such year as measured by their payroll expense.

(Fiscal impact.)

2/12/01, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 3/14/2001.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceeding begins, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to Committee Clerk, Finance Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, California 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above.

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.42 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

010433 **[Ordinance amendment to increase Consumer Protection License Fees]**

Ordinance amending the San Francisco Municipal Code Business and Tax Regulations Code by amending Sections 35, 120, 248, and 249.1, relating to fees for licenses or permits for inspections by the Department of Public Health. (Public Health Department)

3/7/01, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 4/11/2001.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying. Thus applause and booing are both contrary to Board requirements. The Board does not permit signs to be brought into the meeting or displayed in the room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.ci.sf.ca.us/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are televised on channel 26. For video tape copies and scheduling call (415) 557-4293.

Requests for foreign language translation at a meeting must be received by the Clerk of the Board of Supervisors at least 48 hours before the meeting. For meetings on a Monday or a Tuesday, the request must be made by noon of the last business day of the preceding week.

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

The following services are available when requests are made by 4:00 p.m. of the Friday before the Board meeting:

For American Sign Language interpreters, use of a reader during a meeting, or sound enhancement system, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Clerk of the Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, by phone at (415) 554-7724, by fax at (415) 554-5784 or by email at Donna_Hall@ci.sf.ca.us

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.ci.sf.ca.us/bdsupvrs/sunshine.htm

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1/01

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 15, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: March 21, 2001 Finance Committee Meeting

Items 1 and 2 – Files 01-0370 and 01-0371

Note: These items were continued by the Finance Committee at its meeting of March 7, 2001.

Department: Aging and Adult Services

Items: File 01-0370: Supplemental Appropriation in the amount of $2,000,000 for senior program needs ($1,000,000) and infrastructure needs ($1,000,000); amending the Annual Salary Ordinance to create two new positions.

File 01-0371: Ordinance amending the FY 2000-2001 Annual Salary Ordinance reflecting the creation of two new positions in the Aging and Adult Services Department.

Amount: $2,000,000

Source of Funds:

General Fund Reserve	$1,439,000
Surplus FY 2000-01 Parking Tax[1] Revenue for Senior Programs	561,000
Total	$2,000,000

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[1] Under Article 9, Section 615 of the Administrative Code, one third of all Parking Tax collections is dedicated to Senior Citizen's Programs. The Controller's Six Month Budget Status Report, issued on February 7, 2001 projected increased Parking Tax collections of approximately $1.7 million during FY 2000-2001. Therefore, the Controller has certified the availability of $561,000 for Senior Citizen's Programs, as shown in the Source of Funds table above.

New Positions: The proposed supplemental appropriation and Annual Salary Ordinance Amendment would create the following new positions:

No. of FTE Positions	Classification	Title	Step 1 (Biweekly-Annual)	Step 5 (Biweekly-Annual)
2	4230N	Estate Investigator	$1,778 $46,228	$2,194 $57,044

Description: As explained in the attached memorandum from Mr. John Clark, Acting Deputy Executive Director for the Department of Aging and Adult Services, the proposed supplemental appropriation would be a project appropriation, and any unexpended funds at the completion of the current, 2000-2001 Fiscal Year, would be carried forward for expenditure during FY 2001-2002.

A total of $1,000,000 would be used to addressed identified Senior needs, including the following:

- Funding for direct services for non-profit, community based service providers based on a Request-for-Proposal (RFP) competitive process with special emphasis on joint collaborations between agencies, specific performance measures, and proposals serving groups with multiple needs. Expenditures are expected to total $552,504 for this purpose.

- Funding unmet internal department needs, principally additional rent and moving costs related to the relocation of all operations to 1650 Mission Street and personal computers for Conservatorship Services employees in the amount of $300,000.

- Funding to meet the need for more diversity in programs serving San Francisco veterans. The remaining funds would pay for two new positions to perform additional veteran's counseling services as City staff; one position would focus on the needs in the Filipino-American Community, and the other position would assist the Russian-American Community.

Expenditures would total approximately $142,496 for salaries and fringe benefits for 12 months and $5,000 for two personal computers and related equipment for these two positions.

In addition to the $1,000,000 for identified Senior Needs described above, the proposed supplemental appropriation would also provide for the expenditure of $1,000,000 for "Infrastructure Needs", defined as "ongoing costs of the non-profit contractors who perform these services for the City necessary to maintain existing service levels, including employee salary increases, increase[s] in rent, utilities and insurance, and replacement of worn-out equipment and vehicles".

According to Mr. Clark, all expenditures from the $1,000,000 allocation to the infrastructure needs of non-profit contractors would be allocated by the Department of Adult and Aging Services based on an evaluation of specific proposals prepared by such non-profit contractors. The evaluation criteria that would be employed by the Department of Adult and Aging Services of such proposals would include the following:

1. Program expense increases (e.g., gas, supplies, printing, raw materials, etc.)

2. Rent/utility cost increases

3. Technology replacement/upgrades (e.g., Personal Computers)

4. Capital Expenditures (e.g., building modifications, equipment, etc.)

5. Personnel-related costs: "wage-push" adjustments due to the Minimum Compensation Ordinance, salary enhancements.

6. Training Costs for service provider staff.

Comments:

1. As noted above, the proposed supplemental appropriation would be a project appropriation if approved, and any unexpended funds at the completion of the current, 2000-2001 Fiscal Year, would be carried

forward for expenditure during FY 2001-2002. After all of the requested $2,000,000 is expended, funding for such expenditures, including funding for the two new positions, would cease unless additional funds are appropriated for the same purpose. The proposed two new 4230 Estate Investigator positions are designated 'N' for new positions. However, because the positions would be funded by the project appropriation, the positions should be designated 'L' for Limited Duration positions. Therefore, the two positions would be terminated once the source of project funding is expended unless additional funds are appropriated.

2. The Department of Adult and Aging Services is unable to provide full budget details for the $852,504 in non-personnel related services for identified Senior needs and $1,000,000 for infrastructure needs for non-profit contractors as separate RFP processes and competitive proposals have not been conducted by the Department.

3. The original FY 2000-2001 Adult and Aging Services budget as approved by the Board of Supervisors and the Mayor totals approximately $23.6 million. Of that amount, approximately $10.3 million is funded from Parking Taxes, $5.36 million is from Federal and State grants and subventions dedicated to senior programs, $2.57 million from departmental revenues and $5.37 million from General Fund support. As noted above, increased Parking Tax collections projected for FY 2000-2001 results in an additional $561,000 for Senior programs. Also, the Controller, the Mayor and the Budget Analyst are currently projecting that FY 2001-2002 Parking Tax revenue growth would provide increased funds for Senior programs in the amount of an additional $1,000,000.

As stated in the attached memorandum, the Board of Supervisors could consider an alternative policy decision to fund the proposed $2,000,000 in services and infrastructure needs from the following sources of funds:

General Fund Reserve	$ 439,000
Surplus FY 2000-2001 Parking Tax Revenue	561,000
New FY 2001-2002 Parking Tax Revenue	1,000,000
Total	$2,000,000

In order to implement the policy option to fund the $2,000,000 in services and infrastructure needs from the alternative sources identified above, the Board of Supervisors could approve the proposed supplemental appropriation to the FY 2000-2001 budget in the reduced amount of $1,000,000 ($439,000 from the General Fund Reserve and $561,000 from Surplus FY 2000-2001 Parking Tax Revenue) and adopt a separate resolution urging the Department of Adult and Aging Services and the Mayor to fund the remaining $1,000,000 in services and infrastructure needs from incremental Parking Tax revenue in the FY 2001-2002 budget.

Recommendations:

1. Amend the proposed supplemental appropriation (File 01-0370) and the ordinance amending the Annual Salary Ordinance (File 01-0371) to change the designation for the two new positions from 'N' for New to 'L' for Limited Duration.

2. Amend File 01-0370 by placing $1,852,504 ($552,504 for funding direct services for non-profit, community-based service providers, $300,000 for Departmental needs and $1,000,000 for senior infrastructure needs) of the requested $2,000,000 on reserve pending submission of all program allocations and budget details to the Finance Committee.

3. Approval of this proposed legislation, as amended, is a policy matter for the Board of Supervisors.

City and County of San Francisco

DEPARTMENT OF AGING AND ADULT SERVICES
Mayor Willie L. Brown, Jr.
Dr. Sandra Y. Nathan, Executive Director

Commission on the Aging
Mental Health Conservator
Public Administrator-Public Guardian

MEMORANDUM

TO: KEN BRUCE, Budget Analyst

FROM: JOHN CLARK, Acting Deputy Executive Director

DATE: MARCH 1, 2001

RE: SUPPLEMENTAL APPROPRIATION REQUEST FOR SENIOR PROGRAMS AND RELATED INFRASTRUCTURE (FILE 01-0370)

As you are aware, the population of San Francisco is aging rapidly. Along with the aging of our population comes an increase in the number of San Franciscans who require the assistance of various City agencies and non-governmental organizations to meet their daily needs. The Department of Aging and Adult Services' Commission on the Aging Division has surveyed residents, providers, health care organizations and others to determine the level of unmet needs in our community.

The consensus of this research is that a considerable number of elderly San Franciscans are unable to access needed services. To combat this problem, staff, Commissioners and providers held a number of meetings to consider alternatives. Out of this process emerged a consensus that additional funds were needed for both infrastructure and ongoing unmet needs.

Ongoing Unmet Needs

As noted above, research indicates a significant number of San Francisco seniors are unable to receive sufficient assistance in a number of functional areas. Three prominent examples are housing counseling, to deal with issues such as evictions; expansion of home-delivered meal programs; providing enhanced veterans benefit counseling and paratransit services. With the exception of an adjustment of direct costs attributable to the Minimum Compensation Ordinance (MCO), programs serving the elderly have not received a funding increase in several years, despite the growth in the elderly population.

The proposed supplemental appropriation ordinance provides for $1,000,000 in additional funding for ongoing unmet service needs. If approved, the Department of Aging and Adult Services will allocate approximately $553,000 of these funds to non-profit, community-based service providers based on a Request-For-Proposal method with special emphasis on joint collaborations between agencies, specific performance measures, and proposals serving groups with multiple needs.

25 Van Ness Avenue, Suite 650, San Francisco, CA 94102
Principal Number (415) 864-6051 Fax Number (415) 864-3991

We would also use this portion of the supplemental to cover $300,000 of unmet internal department needs, principally additional rent and move costs relating to the relocation of operations to 1650 Mission Street, and the purchase of computers for the Office of Conservatorship Services, which presently has only four computers for 20 professional staff.

Lastly, to meet the need for more diversity in programs serving San Francisco veterans, the remaining "ongoing" funds will pay for two additional veteran's counselors on City staff: one focusing on needs in the Filipino-American Community, and the other assisting the Russian-American Community. The cost for these two additional counselors, including benefits, is about $147,000. The total then for ongoing unmet needs is $553,000+$300,000+$147,000=$1 million.

These funds, if approved, would be available in the next fiscal year.

Infrastructure Needs

Infrastructure needs are defined as "ongoing costs (of the non-profit contractors who perform these services for the City) necessary to maintain existing service levels, including employee salary increases, increase[s] in rent, utilities and insurance, and replacement of worn-out equipment and vehicles." To the extent that infrastructure needs are ignored, community-based organizations lose the ability to maintain current service levels. Infrastructure needs are also typically the "last in line" for both governmental and charitable funding, as these sources are often limited to program operations.

The proposed supplemental appropriation ordinance provides for $1,000,000 in additional funding for infrastructure needs. If approved, the Department of Aging and Adult Services will allocate all of these funds to existing contractors on a pro-rata basis, upon receipt of an acceptable project proposal from each contractor detailing how the funds are to be used, for the following purposes only:

1. Program expense increase (e.g., gas, supplies, printing, raw materials, etc.)
2. Rent/utility cost increase
3. Technology replacement/upgrades (e.g., PCs)
4. Capital Expenditures (e.g., building modifications, equipment, etc.)
5. Personnel-related costs: "wage-push" adjustments due to the Minimum Compensation Ordinance, salary enhancements.
6. Training Costs for service provider staff.

In granting these additional funds, the department will assign priority to proposals that fund one-time purchases (e.g., technology) as opposed to ongoing expenses (like salary increases). Contractors will also be advised that to the extent that they use these infrastructure funds to pay for ongoing cost increases (like salaries), they are responsible for funding ongoing incremental costs in future years from non-City funding sources. These infrastructure enhancement funds will be available, if approved, beginning in the current fiscal year.

Funding Sources

To lessen the impact on the General Fund, it would be our recommendation to pay for these increases primarily through growth in the Off-Street Parking Tax Fund. The Controller estimates that there will be about $561,000 in excess parking tax funds in the current fiscal year, and about $1,000,000 additional next year. Meeting Supervisor Daly's $2,000,000 target would then require only $439,000 in General Fund reserve.

I also note that this supplemental appropriation ordinance is structured as a continuing project, so that any unspent funds at the end of this fiscal year can be carried over into next year. This is necessary to allow for the carryover of unspent funds into FY 01-02 – we do not think it is possible to process all infrastructure requests and conclude the ongoing need RFP process before the end of this fiscal year. It would be our suggestion that the $1,000,000 in infrastructure funds be paid for through excess parking tax funds in this fiscal year, and General Fund reserve; while the $1,000,000 in ongoing unmet needs be funded through the anticipated increase in available parking tax funds next fiscal year.

Conclusion

The need for funding increases for programs serving the elderly and disabled adults is well documented. The Commission on the Aging and I believe that the attached proposed supplemental appropriation ordinance is a responsible approach that will address some of these unmet needs.

City and County of San Francisco

DEPARTMENT OF AGING AND ADULT SERVICES
Mayor Willie L. Brown, Jr.
Dr. Sandra Y. Nathan, Executive Director

Commission on the Aging
Mental Health Conservator
Public Administrator-Public Guardian

Supplemental Appropriations Ordinance
Position Detail
FY 01-02

(2) Classification 4230 Estate Investigator (Veteran's Counselor) @ $57,044	$114,088
Mandatory Fringe Benefits @ 24.9%	$ 28,408
Equipment (two Personal Computers) (one-time only)	$ 5,000
TOTAL	$147,496

25 Van Ness Avenue, Suite 650, San Francisco, CA 94102
Principal Number (415) 864-6051 Fax Number (415) 864-3991

Item 3 - File 01-0145

Note: This item was continued by the Finance Committee at its meeting of March 14, 2001.

Department: Sheriff's Department
Treasure Island Development Authority

Item: Resolution approving a sublease, retroactive to July 1, 2000, between the City and the Treasure Island Development Authority for property on Treasure Island commonly known as the Treasure Island Naval Brig, or jail, (Buildings 670 & 671), located at the Corner of 13th and M Streets on Treasure Island, for an annual rent not to exceed $250,000 per year.

Location: Treasure Island Brig facility (Buildings 670 & 671), located at the Corner of 13th and M Streets

Purpose of Sublease: Under the proposed sublease, the Sheriff's Department would use the Treasure Island Naval Brig for training and, in the case of an emergency, overflow jail facilities.

Lessor: U.S. Navy (Master Lease)

Lessee: Treasure Island Development Authority

Sublessee: Sheriff's Department

Term of Sublease: Commencing retroactively to July 1, 2000 and terminating on May 15, 2005, for a sublease term of four years and eleven months (See Comment No. 1). Under the proposed sublease, the Sheriff's Department would have three options for using the Naval Brig ("the Brig") facility:

1) The Sheriff's Department would be authorized to use the Brig facility for a total of 90 days per fiscal year for Deputy Sheriff training purposes;

2) Additionally, upon written notice of an emergency to the Treasure Island Development Authority, the Sheriff's Department would be able to use the Brig facility during an emergency to house approximately 100 nonviolent prisoners during the duration of the emergency.[1] Under the proposed sublease, the Sheriff's

[1] The proposed lease defines "emergency" as "...any situation or condition in the City and County of San Francisco which creates a widespread threat to life, property, or the welfare of the City and County of San Francisco or its citizens as determined by the Mayor."

Department would not be charged additional rent by the Treasure Island Development Authority for such emergency use of the Brig facility;

3) The Sheriff's Department may request permission from the Treasure Island Development Authority to use the Brig facility during non-emergencies to: (a) temporarily house approximately 100 nonviolent prisoners, or (b) use the facility for any use, such as longer-term housing of inmates, approved in writing by the Executive Director of the Treasure Island Development Authority. The Sheriff's Department would be required to make such requests at least 30 days prior to the date the Sheriff's Department would like to begin using the facility. According to Mr. Stephen Proud of the Treasure Island Development Authority, before granting permission for such non-emergency use of the Brig facility, the Treasure Island Development Authority would have the option to negotiate an amended lease including an increased rent with the Sheriff's Department if the Sheriff's Department proposed using the facility for an extended period of time. Such a lease amendment and any related additional funds would be subject to approval by the Board of Supervisors. The subject sublease states that the Treasure Island Development Authority "...shall not unreasonably withhold permission to use the Premises during such non-emergency and/or non-Permitted Use Period."

Right of Renewal: None

Number of Square Feet: Approximately 2.25 acres (98,010 square feet), including approximately 28,163 square feet for the Brig building. The balance of 69,847 square feet (98,010 less 28,163) would be used by the Sheriff's Department for secured prisoner outdoor recreation and parking.

Rent and Other Costs Payable to the Treasure Island Authority by the Sheriff's Department: $250,000 per year, paid annually in advance of July 1st for each fiscal year during the four-year and eleven-month term of the lease. In addition to the $250,000 annual rent, the City will be required to pay to Treasure Island Development Authority additional fees of $19,620 per year, including:

(1) The City will pay for the Common Area Maintenance Charge (Navy CAM Charge) fee charged by the Navy to the Treasure Island Development Authority under the Master Lease. Under the proposed sublease, the Sheriff's Department would be required to pay $900 per month, or $10,800 annually, to the Treasure Island Development Authority for the CAM Charge.[2]

(2) The City will pay to the Treasure Island Development Authority a monthly Landscaping Charge of $735, for a total annual charge of $8,820.

Therefore, the total annual charges to be paid by the Sheriff's Department to the Treasure Island Development Authority will be $269,620 ($250,000 in rent plus $19,620 in additional fees).

Ms. Jean Mariani of the Sheriff's Department advises that the Sheriff's Department will make Navy CAM and Landscaping payments monthly to the Treasure Island Development Authority, for the entire term of the sublease, whether the Sheriff's Department is using the facility or not. The proposed sublease contains no provisions for annual adjustments for the rent, the CAM or the Landscaping Charge.

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[2] According to Mr. Stephen Proud of the Treasure Island Development Authority, the CAM is based on $0.025 per square foot per month for the 28,163 interior space of the Brig building and $0.003 per square foot per month for the 69,847 exterior space, totaling $913.62 per month. However, the proposed sublease states that the Navy CAM charge is not to exceed $900 per month. Therefore the Sheriff's Department would be required to pay to the Treasure Island Development Authority $900 per month, or $10,800 annually.

Source of Funds: Ms. Mariani advises that the Sheriff's Department's Fiscal Year 2000-2001 General Fund budget includes \$269,620 to fund the \$250,000 in rent and \$19,620 in additional fees discussed above, which the Sheriff's Department must pay to the Treasure Island Development Authority for Fiscal Year 2000-2001 (See Comment No. 4).

Utilities and Maintenance: Under the proposed sublease, the City would pay for all maintenance and utility costs at the Brig facility. Mr. Stephen Proud of the Treasure Island Development Authority advises that the City would be required to pay these costs, estimated at \$92,000 annually, year round for the entire four years and eleven months of the sublease term. (See Comment No. 4 for all estimated costs.)

Description: On May 2, 1997, the Board of Supervisors authorized the creation of the Treasure Island Development Authority as a nonprofit public benefit corporation to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former United States Naval Station Treasure Island (Resolution No. 244-97-3). On October 12, 1997, the California Legislature approved the Treasure Island Conversion Act of 1997, which designated the Authority as a trustee of the State Tidelands Trust and as a redevelopment agency with jurisdiction over Treasure Island and Yerba Buena Island. The Treasure Island Development Authority currently leases from the Navy the Treasure Island Brig facility, discussed below, under a five-year Master Lease, which began on April 5, 1999 and will terminate on April 4, 2004. (See Comment No. 2 below).

The proposed resolution would authorize a sublease between the City and the Treasure Island Development Authority for the Sheriff's Department to use the Brig on Treasure Island. The Brig is a two-story, 28,163 square foot jail facility built by the Federal government in 1992. As described above, under the proposed sublease the Sheriff's Department would have authority to use the Brig facility, for: (1) 90 days of officer training; (2) to temporarily house prisoners during an emergency; and (3) to temporarily house prisoners during non-emergency

periods, or for any other use, as approved by the Executive Director of the Treasure Island Development Authority. According to Mr. Proud, before granting permission for such non-emergency use of the Brig facility, the Treasure Island Development Authority would have the option to negotiate an amended lease and increased rent with the Sheriff's Department if the Sheriff's Department proposed using the facility for an extended period of time, which would be subject to approval by the Board of Supervisors.

According to Ms. Mariani, the Sheriff's Department currently plans to use the Brig facility as a training facility and as a temporary emergency overflow jail. Ms. Mariani reports that the training to take place at the Brig would consist of an annual Advanced Officer course for all sworn employees working in City and County jails and a four- to seven-week introductory course for newly-hired officers. According to Ms. Mariani, the Sheriff's Department would use the Brig facility as a temporary overflow jail for emergencies such as large protests that result in mass arrests. Furthermore, Ms. Mariani advises that the Sheriff's Department does not have alternative vacant space for overflow housing of prisoners. In the past, when the Sheriff's Department has faced jail overcrowding, the Sheriff's Department has rented jail space from other jurisdictions, and when such space is not available, the Sheriff's Department has been forced to release prisoners from custody early, according to Ms. Mariani and as stated in Attachment I, provided by the Sheriff's Department.

Tenant Improvements:

The Fiscal Year 1997-98 budget, as finally approved by the Board of Supervisors, included a $2,100,000 General Fund reserve for the Treasure Island Brig project. The Sheriff's Department planned a project that would convert the Treasure Island Brig facility to a permanent jail facility that would house 140 prisoners in order to relieve jail overcrowding at County Jail No. 3 in San Bruno. Ms. Mariani advises that the Sheriff's Department was never able to operate the Treasure Island Brig as a full-time jail due to insufficient staffing (discussed further in Comment No. 6 below). Ms. Mariani advises that since 1997, the Sheriff's Department has expended a total of $1,099,409

in capital improvements, listed as construction costs in Attachment II, provided by the Sheriff's Department. In addition, Attachment III provided by the Sheriff's Department contains an explanation of these projects and the amount originally budgeted for these projects, totaling $1,380,000 or $280,591 less than the actual expenditures of $1,099,409 due to savings realized during construction, according to Ms. Mariani.

Comments:

1. According to Ms. Mariani, the proposed sublease will commence retroactively because the Sheriff's Department has been using the Brig since July 1, 2000 for training purposes. Ms. Mariani advises that the Sheriff's Department did not first obtain Board of Supervisors approval before using the Treasure Island Brig facility because the Sheriff's Department and the Treasure Island Development Authority were negotiating to finalize the sublease documents.

2. As noted previously, the Treasure Island Development Authority currently leases from the Navy the Treasure Island Brig facility under a five-year Master Lease, which began on April 5, 1999 and will terminate on April 4, 2004. The Budget Analyst notes that the term for the proposed sublease between the Sheriff's Department and the Treasure Island Development Authority would expire on May 15, 2005, more than one year past the expiration of the Master Lease with the Navy. Mr. Proud advises that the Treasure Island Development Authority expects to complete the transfer of ownership of the Naval Station on Treasure Island from the Navy to the Treasure Island Development Authority before the Master Lease the Treasure Island Development Authority holds with the Navy expires. According to Mr. Proud, in the event that such a transfer does not take place before the Master Lease expires, the Treasure Island Development Authority would seek an extension of the Master Lease with the Navy.

3. Ms. Mariani reports that, since 1997, the Sheriff's Department has expended a total of $2,335,311 at the Treasure Island Brig, including a total of $1,099,409 in construction costs and $1,235,902 in operational costs, as outlined in Attachment II, provided by the Sheriff's Department. Ms. Mariani advises that the total

$1,235,902 in operating costs, including the limited staffing, utilities and supplies required to support the construction improvements taking place. The total expenditure of $2,335,311 also includes $44,248 in operating costs since July 1, 2000 for Fiscal Year 2000-2001. According to Ms. Mariani, upon approval of the proposed sublease, the Sheriff's Department would also pay to the Treasure Island Development Authority the entire $250,000 in rent for FY 2000-2001, plus the $900 monthly Navy CAM fees and the $735 monthly Landscaping fees, discussed above, retroactive to July 1, 2000, for a approximate total one-time payment of $263,080 ($250,000 rent plus $7,200 for eight months of Navy CAM fees and $5,880 for eight months of Landscaping fees, for July of 2000 through February of 2001). Ms. Mariani advises that the Sheriff's Department has a total of $269,620 in the department's Fiscal Year 2000-2001 budget to cover this one-time payment of $263,080, as well as the $3,600 in Navy CAM fees and $2,940 for the remaining four months of Fiscal year 2000-2001 (March through June of 2001).

4. As shown in Attachment II, provided by the Sheriff's Department, annual cost to the Sheriff's Department for the proposed lease and operation of the Treasure Island Brig would be an estimated $373,620 per year. This annual budget of $373,620 includes: (a) $269,620 in rent and additional fees to be paid to the Treasure Island Development Authority ($250,000 for rent plus $10,800 for the Navy CAM Charge plus $8,820 in Landscaping fees), (b) $80,000 for utilities, (c) $12,000 for maintenance, (d) $10,000 for contractual services, including pest control and the purchase of bottled water, and (e) $2,000 for materials and supplies. Ms. Mariani advises that the Sheriff's Department would use existing staff and salaries to provide staffing at the Brig during training periods. According to Ms. Mariani, if the Sheriff's Department were to house prisoners temporarily at the Brig during an emergency, the Sheriff's Department would most likely staff the facility using overtime funds. Depending on the scale of the emergency, the Sheriff's Department would either fund the additional costs of operating an emergency overflow jail at the Brig from existing budgeted funds or be required to request a supplemental appropriation for such unexpected costs, according to Ms. Mariani. Ms.

Mariani advises that the Sheriff's Department is unable to provide an estimate for how much additional funding would be needed, since such an estimate would depend entirely on the magnitude of emergency.

5. Under the proposed sublease, the Sheriff's Department would not have exclusive rights to the Treasure Island Brig. The sublease states that the Treasure Island Development Authority "...shall have the right to enter and use the Premises at any time during the Term of this Agreement which does not conflict with any Permitted Use Period." Mr. Proud advises that such provision was included to allow the Treasure Island Development Authority access to the Treasure Island Brig, when the Sheriff's Department was not using the facility, for purposes such as renting the facility to film studios or other short-term purposes.

6. In 1997 the Sheriff's Department began plans to renovate the Treasure Island Brig facility in order to use the Treasure Island Brig as a full-time County Jail. Initially, the Sheriff's Department proposed housing an average of 130 to 140 prisoners who would otherwise be housed at Jail No. 3 in San Bruno, as part of an effort to relocate as many inmates as possible from Jail No. 3 in anticipation of the United States District Court stipulating that the Sheriff's Department must reduce the inmate population at San Bruno Jail No. 3. However, Ms. Mariani advises that ultimately, the Sheriff's Department was able to fulfill required improvements at the San Bruno Jail No. 3, outlined by the United States District Court, without relocating prisoners to the Treasure Island Brig. As described in further detail below, the Sheriff's Department completed capital improvements at the Treasure Island Brig during Fiscal Years 1997-1998 and 1998-1999. However, in Fiscal Year 1999-2000, the Sheriff's Department was unable to house inmates at the Treasure Island Brig due to insufficient staffing.

Ms. Mariani advises that after the Sheriff's Department completed its capital improvements to the Treasure Island Brig, in Fiscal Year 1999-2000 the department began using the Treasure Island Brig for training purposes. Mr. Proud advises that the Sheriff's Department did not pay any rent to the Treasure Island

Development Authority during completion of the capital improvements at the Treasure Island Brig or during the subsequent period of training during Fiscal Year 1999-2000.

Fiscal Year 1997-1998

In November of 1997 the Board of Supervisors approved a supplemental appropriation of $1,699,955 (File 101-97-20) to fund capital improvements and operating costs at the Treasure Island Brig, as well as to fund 24 new positions (22 Deputy Sheriffs and two engineers), which the Board of Supervisors also approved in 1997 to staff the Treasure Island Brig.[3] However, Ms. Mariani advises that Sheriff's Department did not house inmates at the jail in Fiscal Year 1997-1998 because the capital improvements required more time than was originally expected and were not completed until the end of Fiscal Year 1998-1999. As a result, the Sheriff's Department expended a total of $932,289 on the Treasure Island Brig in Fiscal Year 1997-1998, as shown in Attachment II. The total expended amount of $932,289 included $573,560 in capital costs and $358,729 in operating costs for the limited staffing, utilities and supplies required to support the construction improvements taking place, according to Ms. Mariani. Ms. Mariani advises that the Sheriff's Department did not fill the 24 new positions approved the previous fiscal year and instead used the resulting salary savings to fund deficits in other accounts in the department's budget.

Fiscal Year 1998-1999

According to Ms. Mariani, in Fiscal Year 1998-1999, the Sheriff's Department was appropriated $5,989,987 in its original budget, for operating costs ($5,173,526) and additional capital improvements ($816,461) to run a full-time jail at the Treasure Island Brig. Ms. Mariani advises that the budgeted amount for operating costs included approximately $2.3 million for the salaries, benefits and related costs of approximately 42 existing positions to be transferred from the San Bruno Jail No. 3 to the Treasure Island Brig. However, the Sheriff's Department again postponed operating the Brig as a full-time jail in order to

[3] The $1,699,955 appropriation was made from a $2,100,000 General Fund Reserve that was established by the Board of Supervisors in the Fiscal Year 1997-98 budget for the Naval Brig on Treasure Island.

complete additional improvements necessary for housing inmates, according to Ms. Mariani. Ms. Mariani advises that in Fiscal Year 1998-1999, the Sheriff's Department expended $1,135,018 at the Treasure Island Brig, as outlined in Attachment II, leaving a balance of $4,854,969 (original budget of $5,989,987 less expenditures of $1,135,018). Of this balance of $4,854,969, Ms. Mariani advises that approximately $2.3 million funded the existing 42 employees discussed above, which remained at the San Bruno Jail No. 3 and were never transferred to the Treasure Island Brig as previously planned. Ms. Mariani advises that in Fiscal Year 1998-1999, the Sheriff's Department again postponed filling the 24 new positions approved in Fiscal Year 1997-1998, and the department used the resulting salary savings of approximately $2,554,969 to fund deficits in other accounts in the department's budget.

<u>Fiscal Year 1999-2000</u>

Ms. Mariani advises that for Fiscal Year 1999-2000, the Sheriff's Department was appropriated $5,195,625 in its original budget for expenditures at the Treasure Island brig. However, in Fiscal Year 1999-2000, the Sheriff's Department was unable to house inmates at the Treasure Island Brig due to insufficient staffing, according to Ms. Mariani. Ms. Mariani advises that a growing inmate population in the County required the Sheriff's Department to operate San Bruno Jail No. 3 at full capacity, thus preventing the Sheriff's Department from transferring the existing 42 San Bruno positions to the Treasure Island Brig and leaving the Treasure Island Brig with insufficient staff to operate as a jail. Ms. Mariani states in Attachment I that the Sheriff's Department has never received full funding to operate the Treasure Island Brig and all other jails in the system at full capacity at the same time. Ms. Mariani further advises that the Treasure Island Brig is a very labor-intensive jail and that operating San Bruno Jail No. 3 at full capacity is more cost effective than transferring inmates to the Treasure Island Brig. As stated previously, the Sheriff's Department had originally made plans to operate a full-time jail at the Treasure Island Brig in anticipation of the United States District Court requiring a reduction in the number of inmates at San Bruno Jail No. 3, which ultimately was not necessary.

However, in order to meet staffing requirements outlined by the United States District Court's ruling against the Sheriff's Department, the Sheriff's Department reassigned to the San Bruno Jail No. 3 the 24 new positions originally approved in Fiscal Year 1997-1998 for the Treasure Island Brig. As a result, the Sheriff's Department expended only $223,756 of its Fiscal Year 1999-2000 budget of $5,195,625 for the Treasure Island Brig. Ms. Mariani advises that the remaining balance of $4,971,869 was used: (a) to fund the existing 42 employees that were intended to be transferred to the Treasure Island Brig but instead remained at San Bruno Jail, (b) to fill the 24 positions approved in Fiscal Year 1997-1998 for the Treasure Island Brig, but now needed at the San Bruno Jail No. 3. Ms. Mariani advises that any additional salary savings realized from position vacancies was used to fund deficits in other accounts in the Sheriff's Department's budget.

7. Ms. Mariani states in Attachment I that:

> "...While the jail population has leveled off over the past year, it is again on the increase. We cannot predict the size of our jail population in the future and we will not have a new jail facility [to replace the San Bruno Jail No. 3] for at least three years. Therefore, it is only prudent that we protect the investment the City has made in [the Treasure Island Brig] as a hedge against future population increases. It is also insurance against another Federal lawsuit should the jails become overcrowded during this period."

Ms. Mariani advises that, at this time, the Sheriff's Department will take advantage of using the Treasure Island Brig for training, which will be greatly enhanced by having access to actual jail cells. Ms. Mariani reports that due to the County's large inmate population, which currently consist of approximately 1,900 inmates in the City's eight jails, the Sheriff's Department has no other vacant jail space available for training. Prior to the Sheriff's Department beginning to use the Treasure Island Brig for training purposes in Fiscal Year 1999-2000, the Sheriff's Department was required to hold

training in a conference room located in City-owned office space at 555 7th Street. Ms. Mariani notes that this conference space does not meet the Sheriff's Department's training needs because it is particularly important for newly-hired officers to gain training experience in a actual jail facility as opposed to using a simulated environment. In addition, the Sheriff's Department will have access to the Treasure Island Brig to house prisoners during emergencies.

8. The proposed sublease states that both the City and the Treasure Island Development Authority "...may terminate this Sublease prior to the Expiration Date [of May 15, 2005] by giving to the other party written notice of intent to terminate the Sublease one year prior to the intended date of termination."

9. According to Mr. Proud, the Treasure Island Development Authority hired a private firm, Clifford Associates, to appraise the value of the subject Treasure Island Brig facility. On July 21, 2000, the appraiser determined that the fair market rent for the Brig facility would be $1.1 million per year. Mr. Proud advises that the Treasure Island Development Authority has agreed to charge the Sheriff's Department an annual rent of $250,000, or 22.7 percent of the Brig's annual rental market value, since the Sheriff's Department will only be authorized to use the Brig facility for 90 days, or approximately one-fourth of a year, per year for training purposes. Mr. Steve Alms of the Real Estate Division of the Administrative Services Department has reviewed the appraisal of the Brig facility commissioned by the Treasure Island Development Authority and agreed that the rent charged to the Sheriff's Department represents fair market value.

10. The subject sublease states that the Sheriff's Department:

> "...shall not permit any inmates to be housed at the premises who have a known record of violent behavior, including without limitation, a known record for murder, manslaughter, assault, battery, rape, or sexual molestation. Subtenant [Sheriff's Department] shall not permit any portion of the

> Premises to be used as a shooting range by any of the Subtenant's peace officers, personnel, or invitees. Subtenant acknowledges that there are residential dwellings and a public elementary school in the general vicinity of the Premises, and Subtenant agrees to use good faith efforts to prevent any interference with such residential and public school activities by Subtenant's use of the Premises."

Mr. Proud advises that the Treasure Island Development Authority plans to give residents on Treasure Island 30 days notice of any plans of the Sheriff's Department to house inmates in the Brig facility in non-emergency situations. In addition, Ms. Mariani advises that the training to be conducted at the Brig by the Sheriff's Department will not involve any live ammunition or chemical agents.

11. Under the proposed sublease, the Sheriff's Department indemnifies the Treasure Island Development Authority and the Navy, as Master Landlord, and their agents and employees as defined in the lease. The proposed sublease states:

> "Subtenant [Sheriff's Department], on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties [described above] and Master Landlord shall not be responsible for or liable to, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of any improvements on the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused by the negligence or willful misconduct of the Indemnified Parties."

According to Mr. Donnell Choy of the City Attorney's Office, the indemnification provision contained in the

sublease is standard in all subleases entered into by the Treasure Island Development Authority with any entity wishing to sublease property on Treasure Island. Mr. Choy advises that if there were another large earthquake comparable to or greater in magnitude than the 1989 Loma Prieta Earthquake during the term of this sublease, the City would not be able to look to the Treasure Island Development Authority to recover any losses arising therefrom, according to Mr. Choy. Mr. Choy advises that when the City is acting as the landlord in its own leases, the City includes similarly broad indemnification provisions in its leases.

12. In summary, the Budget Analyst notes the following: (a) since Fiscal Year 1997-1998, the Sheriff's Department has expended a total of $1,099,409 (Attachment II) in capital expenditures to convert the Treasure Island Brig into a jail usable by the City; (b) the Sheriff's Department originally intended to house approximately 130 to 140 inmates at Treasure Island Brig in an effort to relieve overcrowding at the San Bruno Jail No. 3; (c) in order to staff the converted Treasure Island Brig, the Sheriff's Department received 24 new positions during Fiscal Year 1997-1998; (d) the Sheriff's Department was also budgeted funds to operate the Treasure Island Brig as a full-time jail, including $5,173,526 in Fiscal Year 1998-1999 and $5,195,625 in Fiscal Year 1999-2000; (e) such operating costs included funding for 42 existing positions, which the Sheriff's Department planned to transfer from the San Bruno Hail No. 3 to the Treasure Island Brig, but was unable to do so due to increased staffing needs at the San Bruno Jail No. 3; (f) because the Treasure Island Brig configuration is such that its operation is more labor-intensive than other City jail facilities, the Sheriff's Department was unable to operate the Treasure Island Brig due to staffing limitations and, therefore, expended the additional funds elsewhere in the City jail system to compensate for an increase in the prisoner population; and, (g) by requesting that the Board of Supervisors approve the subject sublease of the Treasure Island Brig, the Sheriff's Department is now proposing to use the Treasure Island Brig for the alternative purpose of training officers and maintaining space for emergency overflow housing of inmates.

13. The Finance Committee, at its February 28, 2001 meeting, requested that the Sheriff's Department account for all funds appropriated to the Treasure Island Brig since 1997. Attachment IV, provided by the Sheriff's Department, contains the Sheriff's Department's response to the Finance Committee. The Budget Analyst notes the following from the information provided by the Sheriff's Department:[4]

(a) During Fiscal Year 1997-1998, the Sheriff's Department expended a total of $329,570 on operating costs at the Treasure Island Brig, or $702,896 less than the $1,032,466 appropriated by the Board of Supervisors for such purposes. Ms. Mariani advises that the unexpended balance of $702,896 was returned to the General Fund at the close of Fiscal Year 1997-1998.

(b) During Fiscal Year 1998-1999, the Sheriff's Department expended a total of $547,337 on operating costs at the Treasure Island Brig, or $4,698,881 less than the $5,246,218 appropriated for such purposes.[5] Ms. Mariani advises that of the unexpended balance of $4,698,881, a total of $3,257,766 was transferred to cover costs at the San Bruno Jails, Nos. 3 and 7, (largely to fund the 42 existing positions that the Sheriff's Department had planned to transfer to the Treasure Island Brig but was unable to do so due to increased staffing needs at the San Bruno Jails). Ms. Mariani advises that the remaining $1,441,115 of the $4,698,881 unexpended balance was used to help offset deficits in Overtime and training costs due to vacancies.

(c) For Fiscal Year 1999-2000, Ms. Mariani advises that the Sheriff's Department originally included $5,195,625 in its budget request to fund operating costs at the Treasure Island Brig. However, due to

[4] The Budget Analyst notes that the budget totals in Attachment IV differ from those in Attachment II because Attachment IV does not include capital or equipment costs.

[5] According to Ms. Mariani, this appropriation amount of $5,246,218 for Fiscal Year 1998-1999 includes encumbrances carried over from the previous fiscal year and is therefore $72,692 more than the appropriation amount of $5,173,526 shown in Comment No. 6 above, previously provided by Ms. Mariani.

insufficient funds to staff the Treasure Island Brig at full capacity, this $5,195,625 originally designated for the Treasure Island Brig in the Sheriff's Department's budget request were transferred by the Mayor's Budget Office to the budget for the San Bruno Jails before the Sheriff's Department's budget was submitted to the Board of Supervisors for approval, according to Ms. Mariani. In addition, for Fiscal Year 1999-2000, the Board of Supervisors appropriated a Reserve for Jail Overcrowding of $2,500,000 for the Sheriff's Department in the event that the Sheriff was able to staff the Treasure Island Brig if necessary due to overcrowding in other City jails. Instead, this Reserve of $2,500,000 was subsequently released by the Board of Supervisors to help fund the Sheriff's Department's Fiscal Year 1999-2000 supplemental appropriation of $4,695,097 used to fund overspending, including Overtime, and other unforeseen costs in the department (File No. 00-0774).

The Budget Analyst notes that the Sheriff's Department's budget for operating costs at the San Bruno Jails increased in Fiscal Year 1999-2000 by $7,585,091, or more than 75 percent, from $10,066,836 in Fiscal Year 1998-1999 to $17,651,927 in Fiscal Year 1999-2000.[6] As shown in Attachment IV, the San Bruno Jails budget ended Fiscal Year 1999-2000 with a surplus of $3,120,865 ($3,308,468 less $187,603), which was used to help offset deficits in Overtime and training costs due to vacancies, according to Ms. Mariani.

14. At its February 28, 2001 meeting, the Finance Committee also raised questions about the appraisal that determined the fair market value of the subject Treasure Island Brig facility, completed by Clifford Associates, a private firm hired by the Treasure Island Development Authority. On July 21, 2000, the appraiser determined that the fair market rent for the Brig facility would be $1.1 million annually, on which the Treasure Island

[6] The budget figures for San Bruno Jail No. 3 include salaries and benefits required as a result of an earlier lawsuit, shown as the "Besk Case" in Attachment IV.

Development Authority based the $250,000 annual rent it proposes to charge the Sheriff's Department for limited use of the Treasure Island Brig under the subject lease, retroactive to July 1, 2000.[7] According to the Real Estate Division, Clifford Associates reports that this appraisal of the Brig facility did not include the $1,099,409 in capital improvements, which the Sheriff's Department had spent since Fiscal Year 1997-1998 for the Treasure Island Brig, as described in Attachment III. Mr. Proud advises that the Treasure Island Development Authority did not offer the Sheriff's Department any reimbursement or rent credits to compensate for the improvements completed by the Sheriff's Department, because: (a) the Treasure Island Development Authority leases all of its facilities on an "as is" basis; (b) the appraisal of the Treasure Island Brig did not include any of the Sheriff's Department's improvements to the Brig in evaluating the fair market rent of the facility; and (c) the Sheriff's Department elected to complete such improvements based on the Sheriff's Department's assessment of the improvements needed to operate the Brig as a jail facility.

15. At its March 14, 2001 meeting, the Finance Committee requested that the Treasure Island Development Authority amend the proposed lease to the Sheriff's Department for use of the Treasure Island Brig to: (a) shorten the term of the lease agreement, (b) reduce the amount of the Navy's Common Area Maintenance Charge (Navy CAM Charge) and Landscaping fees that the Sheriff's Department must pay, and (c) use in the lease a legal definition for "violent offenders," which the Sheriff's Department is prohibited from housing at the Treasure Island Brig under the proposed lease. In addition the Finance Committee requested that the Sheriff's Department provide a cost comparison between providing training at the Treasure Island Brig versus providing training at another location. As of the writing of this report, the requested lease amendments and cost comparisons were not yet available. The Treasure Island Development Authority and the Sheriff's Department will

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[7] As stated previously, the Treasure Island Development Authority agreed to charge the Sheriff's Department an annual rent of $250,000, or 22.7 percent of the Brig's annual rental market value of $1.1 million, since the Sheriff's Department will only be authorized to use the Brig facility for 90 days, or approximately one-fourth of a year, per year.

provide such information to the Finance Committee directly at its meeting of March 21, 2001.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

ity and County of San Francisco

FFICE OF THE SHERIFF

Michael Hennessey
SHERIFF

415 - 554 - 7225

February 20, 2001
Ref. No.: CFO 01-002

TO: Budget Analyst's Office

FROM: Jean M. Mariani, Chief Financial Officer

SUBJECT: Lease of the Treasure Island Brig

During 1997, the City was under a federal court order to resolve jail overcrowding and conditions at County Jail #3 in San Bruno. In conjunction with the Mayor and the City Attorney, the Sheriff proposed opening the Treasure Island Brig to reduce the population at CJ#3 as part of the settlement of the lawsuit. The Board of Supervisors approved a supplemental appropriation that year, anticipating occupancy of the Brig sometime in the following fiscal year (see Lt. LaVigne's February 9, 2001 memorandum for a discussion of the capital improvements related to the facility).

When the final draft of the settlement was presented to the court, use of the Treasure Island Brig to house prisoners was not included. However, greatly increased staffing at CJ #3 was part of the settlement, so the staff approved for TI were assigned to CJ #3 instead.

Because the jail population was continuing to increase during that time, we were concerned that we would have need of the Brig for overflow purposes. We do not have other appropriate vacant space for housing prisoners. In those instances in the past where we have had significant and serious overcrowding, the Sheriff has been forced to release prisoners from custody early (or rent space in Alameda County's jail, now unavailable).

While the jail population had leveled off over the past year, it is again on the increase. We cannot predict the size of our jail population in the future and we will not have a new jail facility (to replace CJ #3) for at least three years. Therefore, it is only prudent that we protect the investment the City has made in this facility as a hedge against future population increases. It is also insurance against another federal lawsuit should the jails become overcrowded during this period.

In the interim, the Sheriff's Department has taken advantage of the facility for training. State training standards for deputy sheriffs require four to six weeks of core training in jail management techniques before working in a jail, as well as 24 hours of annual training for continuing certification. Having actual jail cells available enhances training in cell removal techniques, etc.

We have used the Treasure Island Brig for prisoners twice, during the 2000 millennium weekend, to free up space at the 425-7th St. jail in case there were mass arrests, and for a multi-jurisdiction mass-arrest coordination site with the U.S. Marshal and the FBI.

The attached spreadsheet presents the Sheriff's Department expenditures to date for the Treasure Island Brig. Our estimated annual costs, including lease, utilities, and maintenance expense, are approximately $373,620. The Mayor's Office included and the Board of Supervisors approved $260,871 for this lease payment in our 2000-01 budget.

In 1997-98 and 1998-99, the Sheriff's Department budget included appropriations of $1,699,955 and $5,989,987 for operating the Treasure Island Brig. In 1999-00, we combined the TI Brig budget with the San Bruno budget, and used the vacant positions in the TI budget to meet the terms of the federal court settlement. The TI Brig is a very labor-intensive jail, less cost-effective to operate than the Sheriff's other facilities. The Sheriff has never received full funding to operate the TI Brig and all other jails in the system at full capacity. The funding levels presumed partial closure of several floors of CJ #3, and a transfer of those inmates and deputies to TI.

San Francisco Sheriff's Department
Treasure Island Brig Expenditures
1997 to Present

	1997-98	1998-99	1999-00	2000-01*	Totals		Annual
Salaries	120,853	312,372	89,356	-	522,581		
Benefits	28,242	58,311	16,190	-	102,743		
Contractual Services		11,050	15,106	1,084	27,240		10,000
Maintenance Services	84,302	12,356	11,283	10,311	118,252		12,000
Utilities	7,630	53,041	76,724	31,872	169,267		80,000
Materials/Supplies	88,543	100,207	10,149	981	199,880		2,000
Equipment	29,159	61,832	3,550	-	94,541		-
Workorders	-	-	1,398	-	1,398		-
Construction	573,560	525,849	-	-	1,099,409		-
Facility Rent	-	-	-	-	-		269,620
Totals	932,289	1,135,018	223,756	44,248	2,335,311		373,620
*thru 2/7/01							

Source: Sheriff's Department

TOTAL P.06

San Francisco Sheriff's Department

INTER-OFFICE CORRESPONDENCE

Sheriff's Bureau of Building Services

Attn: Ms. Jean Mariani
From: Lt. Michael La Vigne
Subj: Capital Improvements at the Treasure Island Brig

Friday, February 09, 2001

The following is a short history and accounting of the capital improvements the SFSD has made to date at the Treasure Island Brig.

1996 – In anticipation of the CCSF taking over the Treasure Island & Yerba Buena Island properties from the U. S. Navy, inspections of the various buildings were performed by CCSF and California State officials having jurisdiction. In mid 1996 (May & June) the SFSD received copies of seismic, building code, and fire/life safety code deficiency reports from the CCSF, California Board of Corrections, and California State Fire Marshal. The SFSD also reviewed the Brig to determine what security or operational modifications would have to be made to accommodate prisoners.

1997 - Based upon the above surveys and reports, the SFSD developed a scope of work to correct the code, security and operational issues. From this scope of work a capital budget was developed and submitted to the CCSF as supplemental budget request in August of that year. This supplemental budget request, along with an ordinance permitting the SFSD to contract for the work, was approved by the CCSF Board of Supervisors in November 1997. The scope of work was divided into three basic contracts as indicated below:

Electronic Security System Improvements:

Scope: Replace central control panel, add CCTV cameras and monitors, repair and replace locks and moving gates.
Cost: $240,000
Time: January – April 1998

Prisoner Exercise Yard Improvements:

Scope: Replaces old fencing with new double security fence and paves over gravel exercise yards.
Cost: $340,000
Time: July – November 1998

Fire/Life Safety Upgrades:

Scope: Replaces old fire alarm system, apply spray-on cementitious fire proofing on underside of roofs and roofing supports, replaces several doors and frames with code compliant assemblies, remodels paths of travel to provide clear fire exit routes, and upgrades and expands the fire sprinkler system.

Cost: $800,000

Time: September 1998 – March 1999

In addition to the above, the SFSD has made improvements to the temperature control system of the Brig, as well as installed some kitchen equipment.

The CCSF still has some disability access issues at the Brig, but at this point we have closed out all construction contracts, and any disability access issues would be addressed in the future.

If you have any questions, please call.

***

City and County of San Francisco

OFFICE OF THE SHERIFF

Michael Hennessey
SHERIFF

415 - 554 - 7225

MEMORANDUM

March 6, 2001
Reference: CFO 01-004

TO: Finance Committee Members

FROM: Jean Mariani, Chief Financial Officer

SUBJECT: Sheriff's Department Expenditures, Treasure Island Brig (File 01-0145)

You have requested additional details on the Sheriff's Department expenditures related to budget allocations for the Treasure Island (TI) Brig.

The following appropriation and expenditure information is from FAMIS, based on the year-end reports for each fiscal year and reflects the General Fund operating budgets for each budget unit indicated.

Following are the 1997-98, 1998-99 and 1999-2000 appropriations, expenditures and balances for the TI Brig, the San Bruno Jail complex (which includes County Jail (CJ) #3, the subject of the Jones lawsuit, and CJ #7) and the Besk Case (which aggregates expenditures resulting from a previous CJ #3 lawsuit). These three budget units include all positions assigned to CJ #3.

ROOM 456, CITY HALL
DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA 94102
FAX 415 - 554 - 7050

Fiscal Year 1997-98 Operating Budget Appropriations and Expenditures

Index Code	060313	060310	060311	TOTALS
FY 1997-98	Treasure Island Brig	San Bruno Jails	Besk Case - CJ #3	San Bruno/TI
SALARIES				
Appropriation	649,696	6,200,156	1,687,460	8,537,312
Expenditure	·120,853	6,331,652	1,605,136	8,057,641
Balance	528,843	(131,496)	82,324	479,671
BENEFITS				
Appropriation	194,909	2,063,663	576,978	2,835,550
Expenditure	28,242	2,008,983	513,440	2,550,665
Balance	166,667	54,680	63,538	284,885
SERVICES				
Appropriation	88,986	545,000	5,000	638,986
Expenditure	91,940	436,235	-	528,175
Balance	(2,954)	108,765	5,000	110,811
SUPPLIES				
Appropriation	98,875	1,994,942	-	2,093,817
Expenditure	88,535	2,056,278	-	2,144,813
Balance	10,340	(61,336)	-	(50,996)
OTHER DEPTS.				
Appropriation	-	358,180		358,180
Expenditure	-	-		-
Balance	-	358,180	-	358,180
TOTALS				
Appropriation	1,032,466	11,161,941	2,269,438	14,463,845
Expenditure	329,570	10,833,148	2,118,576	13,281,294
Balance	702,896	328,793	150,862	1,182,551

For Fiscal Year 1997-98, these three budget units had total operating budget appropriations of $14,463,845, expenditures of $13,281,294 and a remaining balance of $1,182,551, which reverted to the General Fund at year end because the department overall had a remaining General Fund balance in its operating budget of $1,594,047.

Fiscal Year 1998-99 Operating Budget Appropriations and Expenditures

Index Code FY 1998-99	060313 Treasure Island Brig	060310 San Bruno Jails	060311 Besk Case - CJ #3	TOTALS San Bruno/TI
SALARIES				
Appropriation	3,642,589	4,240,557	1,766,571	9,649,717
Expenditure	312,372	6,850,917	1,800,380	8,963,669
Balance	3,330,217	(2,610,360)	(33,809)	686,048
				-
BENEFITS				-
Appropriation	1,031,937	339,347	366,966	1,738,250
Expenditure	58,311	1,463,416	336,247	1,857,974
Balance	973,626	(1,124,069)	30,719	(119,724)
				-
SERVICES				-
Appropriation	136,000	544,500	5,000	685,500
Expenditure	76,447	602,000	-	678,447
Balance	59,553	(57,500)	5,000	7,053
				-
SUPPLIES				-
Appropriation	435,692	2,406,018	-	2,841,710
Expenditure	100,207	2,182,872	-	2,283,079
Balance	335,485	223,146	-	558,631
				-
OTHER DEPTS.				-
Appropriation	-	397,877		397,877
Expenditure	-	86,860		86,860
Balance	-	311,017	-	311,017
				-
TOTALS				-
Appropriation	5,246,218	7,928,299	2,138,537	15,313,054
Expenditure	547,337	11,186,065	2,136,627	13,870,029
Balance	4,698,881	(3,257,766)	1,910	1,443,025

As shown in the table, the TI Brig balance of $4,698,881 was offset by a San Bruno deficit of $3,257,766. While the budget transferred approximately $3.7 million of salaries, benefits and positions from San Bruno to TI, TI did not open and, because the jail system was over capacity, San Bruno continued to use the transferred positions at CJ #3. The remaining balance in these three budget units and from other parts of the department was used to offset a deficit of $3,591,064 in the Department Services budget unit.

Fiscal Year 1999-00 Operating Budget Appropriations and Expenditures

Index Code	060313	060310	060311	TOTALS
FY 1999-2000	Treasure Island Brig	San Bruno Jails	Besk Case - CJ #3	San Bruno/TI
SALARIES				
Appropriation	-	10,014,244	1,883,781	11,898,025
Expenditure	89,356	7,583,519	2,094,710	9,767,585
Balance	(89,356)	2,430,725	(210,929)	2,130,440
				-
BENEFITS				-
Appropriation	-	1,901,953	389,383	2,291,336
Expenditure	16,190	1,582,723	371,057	1,969,970
Balance	(16,190)	319,230	18,326	321,366
				-
SERVICES				-
Appropriation	-	1,079,698	5,000	1,084,698
Expenditure	103,113	503,952	-	607,065
Balance	(103,113)	575,746	5,000	477,633
				-
SUPPLIES				-
Appropriation	424	1,927,611	-	1,928,035
Expenditure	10,149	2,161,758	-	2,171,907
Balance	(9,725)	(234,147)	-	(243,872)
				-
OTHER DEPTS.				-
Appropriation	48,640	450,257		498,897
Expenditure	1,398	233,343		234,741
Balance	47,242	216,914	-	264,156
				-
TOTALS				-
Appropriation	49,064	15,373,763	2,278,164	17,700,991
Expenditure	220,206	12,065,295	2,465,767	14,751,268
Balance	(171,142)	3,308,468	(187,603)	2,949,723

In 1999-00, because sufficient funding was not appropriated to staff at capacity the TI Brig and all other jails in the system, the TI budget was collapsed into the San Bruno budget. The TI positions were then identified as those positions agreed to as part of the Jones settlement which occurred late in 1998-99. Again, the year-end balance was used, along with other department balances, to offset the Department Services budget unit deficit of $6,224,337.

The deficits in the Department Services budget unit result from the manner in which positions are budgeted in the Sheriff's Department. We list positions in the appropriate budget unit to reflect the authorized staffing for each Department facility and program. This authorized staffing accounts for every department position shown in the budget. This creates a mismatch between budget and spending when a position is assigned to academy training. For costing purposes, training is allocated as a department-wide function, so the academy-assigned position is paid from the Department Services budget, even though the position is budgeted in another unit. The Sheriff's Department 2001-02 budget request includes a reallocation to correct this mismatch.

If you have any questions or comments, please contact me at (415) 554-4316.

cc: Gail Johnson, Clerk, Finance Committee
Ed Harrington, Controller
Erin McGrath, Mayor's Office
Taylor Emerson, Mayor's Office
Harvey Rose, Budget Analyst

Item 4 – File 01-0372

Department: Mayor's Office, Treasure Island Development Authority

Item: Resolution approving and authorizing the Treasure Island Development Authority to extend and modify an existing Cooperative Agreement with the Navy, for the one year period, retroactive to October 1, 2000, through September 30, 2001, whereby the Treasure Island Development Authority will continue to meet responsibilities regarding the operation and maintenance of Treasure Island[1], and the Navy will reimburse the Treasure Island Development Authority for a portion of such costs, of up to $145,000.

Description: On May 2, 1997, the Board of Supervisors approved Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Treasure Island and Yerba Buena Island for the public interest, convenience, welfare and common benefit of the inhabitants of the City. On September 30, 1997, the Navy closed Treasure Island as an active Naval Base. The California Legislature subsequently approved the Treasure Island Conversion Act of 1997, which designated the Treasure Island Development Authority as a trustee of the State Tidelands Trust and as the Redevelopment Agency for Treasure Island.

On October 1, 1997, concurrent with the operational closure of the Naval Base, the City entered into a Cooperative Agreement with the Navy, with approval from the Board of Supervisors, in which the City agreed to assume responsibility for the following caretaker services on Treasure Island: (1) operation and maintenance for the water, waste water, storm water, electric and gas utility systems on the Naval Base, (2) public health, security and safety services, (3) grounds and street maintenance and repair, and (4) property management and caretaker

[1] All references to "Treasure Island" in the proposed Cooperative Agreement refer to the entire former Treasure Island Naval Station, which included the adjoining Yerba Buena Island.

services. Subsequently, the Cooperative Agreement was modified, with the approval of the Board of Supervisors (File 98-1751), to make the Treasure Island Development Authority, rather than the City, the party to the Cooperative Agreement, and the Cooperative Agreement was extended for an additional one-year period, from October 1, 1998 to September 30, 1999 (coinciding with the Federal fiscal year). In 1999, the Board of Supervisors again approved an extension of the Cooperative Agreement, for the period from October 1, 1999 to September 30, 2000 (File 99-1970).

For each year of the Cooperative Agreement, the Navy agreed to reimburse the City the following amounts to help fund the costs of providing the above described maintenance, security and other activities on the closed Naval Base.

Year of Cooperative Agreement (based on Federal Fiscal Year of October 1 through September 30)	**Amount Paid to City by Navy**
FY 1997-1998	$6,058,214
FY 1998-1999	4,000,000
FY 1999-2000	2,500,000
Total	$12,558,214

According to Mr. Stephen Proud of the Treasure Island Development Authority, it is the Navy's policy to fund only those services the Navy itself would perform on a closed Naval Station. Mr. Proud advises that the amount of the above funds, provided to the City by the Navy, was established by the Navy and was based on Navy costs to achieve Navy standards, rather than being based on City costs to meet City standards. According to Mr. Proud, in entering the Cooperative Agreement with the Navy, the Treasure Island Development Authority understood that the Navy would gradually decrease its funding to the City as the City moved closer to acquiring full ownership of Treasure Island, which is expected to happen approximately in January of 2002, and the Treasure Island Development Authority leased additional areas of the former Naval Base from the Navy for revenue generation. Mr. Proud advises that, in past years, the

Treasure Island Development Authority has offset reductions in funds paid by the Navy with increased rental revenues derived from the property on Treasure Island leased by the Treasure Island Development Authority from the Navy. Attachment I, provided by the Treasure Island Development Authority, describes which City departments and organizations currently lease property on Treasure Island and provide services to the Treasure Island Development Authority, resulting in a rental revenue of approximately $4,821,212 annually to the Treasure Island Development Authority, and which services the City provides on Treasure Island.

The proposed resolution would approve an extension and modification to the existing Cooperative Agreement between the Navy and the Treasure Island Development Authority, retroactively for the period from October 1, 2000 to September 30, 2001. The proposed extended Cooperative Agreement would reduce the annual amount paid to the Treasure Island Development Authority by the Navy to $145,000, a reduction of $2,355,000, or approximately a 94 percent reduction, from last year's payment of $2,500,000 from the Navy. In addition, the proposed extended Cooperative Agreement would transfer responsibility from the Navy to the City for setting utility rates for all lessees on Treasure Island, as discussed below.

REDUCED FUNDS

Under the proposed modification, the Navy would provide the Treasure Island Development Authority with $145,000 for caretaker services on Treasure Island, as discussed above, retroactively for the Federal Fiscal Year of October 1, 2000 through September 30, 2001. As noted above, the proposed modification results in a reduction of $2,355,000, or approximately a reduction of 94 percent, in the reimbursement amount paid to the Treasure Island Development Authority, from the $2,500,000 paid to the City for Federal Fiscal Year 1999-2000 to the $145,000 to be paid to the City for Federal Fiscal Year 2000-2001.

Mr. Proud advises that during the negotiations for the Fiscal Year 1999-2000 Cooperative Agreement between the Navy and the Treasure Island Development

Authority, the Navy informed the Treasure Island Development Authority that beginning in Federal Fiscal Year 2000-2001, the Navy would no longer provide the City with funding for caretaking services on Treasure Island. However, through negotiations, the Navy agreed to make one last annual payment to the City of the subject $145,000. Mr. Proud advises that the Treasure Island Development Authority had understood such an reduction, and eventual elimination, of Federal funding would occur, given that: (a) such Federal funding was subject to the Federal appropriation process, and (b) the original Cooperative Agreement approved in 1997 stated that the Navy would not provide funding for caretaker services on property formally leased by the Navy to the Treasure Island Development Authority, and thus the Navy would reduce its funding as the Treasure Island Development Authority increased the amount of property it leased from the Navy.

Mr. Proud advises that under the original 1997 Cooperative Agreement, the Navy did not provide the Treasure Island Development Authority with a schedule of annual reductions in funding.

Mr. Proud advises that the $145,000 would fund the following caretaker services: (a) $55,000 for grounds maintenance, (b) $25,000 for building and streets maintenance, and (c) $65,000 for utility maintenance. According to Mr. Proud, these costs are in addition to the funds already budgeted for such services, shown in Attachment II. In order to expend the subject $145,000, the Treasure Island Development Authority is required to obtain prior Board of Supervisors appropriation approval (See Comment No. 7).

Attachment II, provided by the Treasure Island Development Authority, contains the Treasure Island Development Authority's budget for Fiscal Years 1999-2000 and 2000-2001. The $2,500,000 awarded to the Authority for federal fiscal year 2000 (October 1, 1999 – September 30, 2000) was included in the Authority's FY 1999-2000 budget approved by the Board of Supervisors, with $625,000 to be carried forward to fund caretaker activities in the first quarter of Fiscal Year 2000-2001

(July 1 through September 30, 2000). In addition to the $625,000 carried over from Fiscal Year 1999-2000, the Treasure Island Development Authority budgeted revenues in the total amount of $4,821,212 in Fiscal Year 2000-2001, which includes special event use permits ($396,212), commercial leases ($1,100,000), and housing leases ($3,325,000), as shown in Attachment II. According to Mr. Proud, the Treasure Island Development Authority expects to meet this non-Federal revenue budget of $4,821,212 for Fiscal Year 2000-2001. These revenues fund the cost of interim operations including activities related to negotiations with the Navy for the transfer of the base to the City and long-term planning for the anticipated Treasure Island Redevelopment Project.

SETTING UTILITY RATES

The proposed extension and modification to the existing Cooperative Agreement with the Navy would also enable the City to set utility rates charged to lessees on Treasure Island, including rates charged for water, electricity, gas, sanitation services and storm water collection and treatment services.

Since October 1, 1997, the City's PUC has been providing utilities to Treasure Island using a utility rate structure established by the Navy. Mr. Proud advises that the rates were based on the Navy's estimate of its costs to acquire commodities and its costs to operate and maintain the utility delivery systems in place on Treasure Island. The Navy has not re-evaluated this utility rate structure since it was established in 1997, according to Mr. Proud. Attachment III, provided by the PUC, describes the PUC's role in operating and providing utilities on Treasure Island.

Mr. Proud advises that in December 2000, due to the dramatic increase in the cost of natural gas, the City's PUC requested authorization from the Navy to increase the rate charged to natural gas users on Treasure Island. The Navy did not increase rates, but instead proposed excluding itself from setting utility rates on Treasure Island. Therefore, through this proposed Cooperative Agreement modification, the City would accept the responsibility for setting utility rates.

Mr. Proud advises that the Treasure Island Development Authority has not yet determined how it will set utility rates charged to its lessees on Treasure Island. The Treasure Island Development Authority is currently working with the City's PUC to determine a process for doing so, according to Mr. Proud. Mr. Proud advises that rates would most likely be based on the cost of purchasing and supplying the utilities, and that the PUC is concerned about recovering the full cost of supplying such utilities to lessees on Treasure Island. Attachment IV, provided by the Treasure Island Development Authority, contains the rates currently charged by the Navy and revised rates previously proposed by the City's PUC. The only change in this proposal would have been to increase the rates charged for natural gas in order to recover costs. However, the PUC continues to charge the rates set by the Navy, because the rates previously proposed by the PUC were never finalized or enacted, according to Mr. Proud. (See Comments Nos. 3, 4 and 5).

Comments:

1. As noted previously, the proposed resolution would modify and extend the existing Cooperative Agreement between the Navy and the City for the period from October 1, 2000 to September 30, 2001. Mr. Proud advises that the Treasure Island Development Authority did not obtain approval from the Board of Supervisors before the subject extension would have begun on October 1, 2000 because the Treasure Island Development Authority and the Navy were continuing to negotiate the terms of the extension. This resolution should be amended to state that the proposed Cooperative Agreement extension would expire on September 30, 2001, thus correcting: (a) language in the resolution's title stating that the proposed extension would expire on June 30, 2001, and (b) language in the body of the resolution stating that the proposed extension would expire on June 20, 2001.

2. According to Mr. Proud, since the existing Cooperative Agreement with the Navy expired on September 30, 2000, the Treasure Island Development Authority has continued providing caretaking services at Treasure Island.

3. A stated previously, the Treasure Island Development Authority has not yet determined the process it will use for setting utility rates to be charged to lessees on Treasure Island. According to Mr. Proud, the Treasure Island Development Authority and the PUC will continue to charge the utility rates set by the Navy until such a process has been established. The Budget Analyst recommends that the proposed resolution be amended to require that the Treasure Island Development Authority report back to the Board of Supervisors to present the process that the Treasure Island Development Authority and the PUC create for setting the utility rates to be charged to Treasure Island Lessees.

4. The Budget Analyst notes that the Sheriff's Department, Fire Department and Police Department all have leases pending approval on Treasure Island, according to Mr. Proud. Any future increases in the rates the Treasure Island Development Authority charges for utilities would increase the cost of such City General Fund departments operating on Treasure Island.

5. The Budget Analyst notes that under the Federal Base Closure and Realignment Act, the United States Department of Energy makes low-cost Federal electrical power available to support economic development for the conversion of military bases. Between October 1, 1997 and September 29, 1998, the Navy purchased such Federal electrical power from the Western Area Power Administration (WAPA) on behalf of the City's PUC in order to supply electrical power to Treasure Island. On October 7, 1998, the Board of Supervisors approved a contract between the City and the United States Department of Energy which enabled the PUC to purchase such power directly from WAPA in order that the City could continue to receive the benefits of the low cost Federal electrical power without having to purchase it through the Navy (File 98-1776). This contract came into effect on October 1, 1998 and was originally due to expire on December 31, 2004. In January of 2001, the Board of Supervisors approved an additional contract, enabling the City to continue purchasing low cost electrical power from WAPA for Treasure Island for an additional 20 years.

6. Mr. Proud notes that the Treasure Island Development Authority's budget is subject to approval by the Board of Supervisors and that most maintenance and other responsibilities in the subject Cooperative Agreement will be performed by City agencies, whose costs are to be reimbursed by the Treasure Island Development Authority. Services such as pest control, asbestos removal, janitorial, and certain machinery repair will be contracted to private companies. Certain services, such as grounds maintenance and janitorial, are provided by organizations belonging to the Treasure Island Homeless Development Initiative (TIHDI) pursuant to Board of Supervisors Resolution 672-96, dated July 1, 1997 which directed the Authority to contract with TIHDI organizations to provide employment opportunities for homeless and other economically disadvantaged San Francisco residents.

7. The Budget Analyst notes that this $145,000 to be paid by the Navy to the Treasure Island Development Authority was not included in the Treasure Island Development Authority's Fiscal Year 2000-2001 budget, as previously approved by the Board of Supervisors. Therefore, in order to expend the $145,000, the Treasure Island Development Authority would be required to request appropriation approval from the Board of Supervisors.

Recommendations:

1. Amend the proposed resolution to state that the proposed Cooperative Agreement extension with the Navy would expire on September 30, 2001, thus correcting: (a) language in the resolution's title stating that the proposed extension would expire on June 30, 2001, and (b) language in the body of the resolution stating that the proposed extension would expire on June 20, 2001, in accordance with Comment No. 1 above.

2. Amend the proposed resolution to require that the Treasure Island Development Authority report back to the Board of Supervisors to present the process that the Treasure Island Development Authority and the PUC create for setting the utility rates to be charged to Treasure Island Lessees, in accordance with Comment No. 3 above.

3. Based on the previous policy and budgeting decisions of the Board of Supervisors, approve the proposed resolution, as amended.

Attachment 1: Treasure Island Revenue Generation

The Treasure Island Development Authority leases Treasure Island buildings and facilities from the US Navy for revenue generation to fund interim operations and long term planning activities. The Authority leases Treasure Island's Casa de la Vista, Chapel, Fogwatch, Nimitz Conference Center, Great Lawn and Building 180, and Yerba Buena Island's Nimitz House principally as venues for special events such as weddings, parties, picnics and business meetings. Buildings 2 and 3 (built as airplane hangars) are leased for movie and television production, and several smaller buildings, such as the former base library, are leased to private, for-profit enterprises. Other facilities, such as the fire fighting training facility and the brig, are leased to City agencies such as the Fire and Sheriff's Departments for their ongoing activities. The TI marina is leased to Treasure Island Enterprises (TIE) for interim marina operations while the TI Project and TIE negotiate the long term development of the marina. The Authority also has provided an area leased to telecommunications companies for cellsites.

Housing on the former naval station is leased to the John Stewart Company (JSC) and organizations belonging to the Treasure Island Homeless Development Initiative (TIHDI). The JSC lease is for 766 units (574 units in phase 1 and 192 units in Phase 2). The leases to TIHDI member organizations include:

- Catholic Charities – 366 units
- Haight Ashbury Free Clinic – 18 units
- Swords to Plowshares 24 units
- Walden House 14 units

The housing leases were approved by the Board of Supervisors in March 1999, and it is the lease of the approximately 70 acres of housing that represents the largest shift in TI properties from maintenance responsibilities under the Cooperative Agreement to lease.

Attached is a map that shows the various areas of TI & YBI under lease. The areas crosshatched are under lease to the Authority. The areas on TI that remain "without crosshatching" are the areas that the Authority maintains on behalf of the Navy.

City Services on Treasure Island

The SFPD provides police services on TI and the SFFD provides fire protection and suppression services. DPW bureaus perform most of the building and street maintenance. TI streets are not leased by the Authority and are included in the Authority's caretaker operations. Similarly maintenance of the TI utility systems (also not leased by the Authority) is provided by the SFPUC. The PUC also earns revenues from TI's tenants for utility services. At the time of the housing lease, we estimated that the PUC would earn about $14 million from TI's residential tenants over the 7-year term of the housing lease.

Source: Treasure Island Development Authority

-2000	Total CA+NonCA	Non-Coop Agreement subtotal	Cooperative Agreement subtotal	7/1/99 through 9/9/99	10/1/99 through 6/30/00	7/1/00 through 9/30/00
Budget	6,775,000	3,900,000	2,875,000	1,000,000	1,875,000	625,000
ive Agreement Funding			2,875,000	1,000,000	1,875,000	
vent Use Permits		1,400,000	0	0	0	
ial Leases		1,200,000	0	0	0	
Leases		1,300,000	0	0	0	
Budget	6,775,000	3,900,000	2,875,000*	1,000,000	1,875,000	625,000
fety	2,093,883	1,475,133	618,750	375,000	243,750	81,250
Cable Maintenance	50,000	0	50,000	12,500	37,500	12,500
Maintenance	500,000	187,500	312,500	125,000	187,500	62,500
Street Maintenance	1,656,970	447,220	1,209,750	300,000	909,750	303,250
, Contractual & other Services /1/	2,227,647	1,790,147	437,500	62,500	375,000	125,000
itenance	246,500	0	246,500	125,000	121,500	40,500

2001	Total CA+NonCA	Non-Coop Agreement subtotal	Cooperative Agreement subtotal	7/1/00 through 9/30/00	Original 10/1/00 through 6/30/01	Memo Only Revised 10/1/00 through 9/30/01
udget	5,446,212	4,821,212	625,000**	625,000		
Agreement Funding			625,000	625,000		
ent Use Permits		396,212				
l Leases		1,100,000				
ases		3,325,000				
udget	5,446,212	4,821,212	625,000	625,000	0	145,000
y	3,786,712	3,705,462	81,250	81,250	0	0
Cable Maintenance	12,500	0	12,500	12,500	0	0
intenance	500,000	437,500	62,500	62,500	0	55,000
treet Maintenance	1,661,750	1,358,500	303,250	303,250	0	25,000
Contractual & other Services /1/	3,005,621	2,880,621	125,000	125,000	0	
enance	40,500	0	40,500	40,500	0	65,000
ental recovery	-3,560,871	-3,560,871				

Source: Treasure Island Development Authority

* This $2,875,000 includes: $1,000,000 carried over from FY 1998-1999 and $1,875,000 of the $2,500,000 provided by the Navy for FY 1999-2000.

**This $625,000 was carried over from the Navy's FY 1999-2000 funding of $2,500,000.

SFPUC

WATER
HETCH HETCHY
WATER & POWER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

MEMORANDUM

TO: Emilie Neumann, Board Analyst

FROM: Laurie Park, Hetch Hetchy Acting General Manager

SUBJECT: Relationship of SFPUC to Navy at TI

DATE: March 15, 2001

In March 1997, the City and County of San Francisco entered into a "Cooperative Agreement" with the Navy to provide certain services to Treasure Island, a military base scheduled for closure in accordance with the federal Base Realignment and Closure Act ("BRAC"). The Cooperative Agreement was intended to provide a means for an orderly transition of operations and maintenance responsibility for, among other things, utilities services to the City, pending completion of an economic development conveyance to the City.

Since that time, the Cooperative Agreement has been renewed on October 1st of each year (federal government's fiscal year). We are presently operating under "Cooperative Agreement #5". The initial Cooperative Agreement provided reimbursement of SFPUC staff time for training in the operations and maintenance of the respective utilities systems (water, sanitary sewer, storm sewer, electric and gas). In addition, the initial Cooperative Agreement provided funding for certain major repairs deemed critical to assuring the continued operability of the existing utilities systems during the conveyance period.

Commencing October 1997, the Cooperative Agreement was expanded to include billing and collections of fees for utilities services on Treasure Island. Rates for such services were established by the Navy (as owner). In addition to revenues charged to City and federal tenants, the Navy reimbursed the City for what it deemed to be its allocated share of utilities costs, including for shared use areas. All funding provided by the Cooperative Agreement is accounted for through the City's annual single audit. To the extent that the SFPUC collects more revenues and funds than its actual costs, such excess revenues would need to be returned to the Navy. To-date, that has not occurred.

The conveyance of the property to the City is presently expected to occur at the end of 2001 depending on the final environmental review process.

Cc: HH – Sam Larano, Chuck Swanson, Fred Weiner
Records

FPUC
WATER
CH HETCHY
ER & POWER
AN WATER

INTER OFFICE MEMO

TO: TIDA (S. Proud)

FROM: SF-PUC-HHWP-TI Utility Operation

DATE: March 5, 2001

SUBJECT: Utility Rates

The Navy originally established the service charge to the various tenants on Treasure Island and Yerba Buena Island under the base Cooperative Agreement in July of 1997. These rates as shown on the attached letter have not been change since that time.

Our cost of the base commodity has been constant until last summer. In mid-2000 the cost of natural gas has increased dramatically. It has grown from about $0.30 to over $1.60 per therm. As a result of this cost increase, a request was sent to the Navy in December of 2000 (see attached letter) to revise the rate structure to reflect this increase. The Navy addressed this by excluding itself from establishing rates. It passed this responsibility to the Caretaker.

We are proposing a utility service operation and maintenance charge that consists of two parts: base commodity cost and operation and maintenance cost. This charge is to be passed to the tenants under existing lease agreements and to the two Federal tenants under service contracts.

FRANCISCO PUBLIC UTILITIES COMMISSION
ARKET STREET, 4TH FLOOR, SAN FRANCISCO, CA 94103 TEL. (415) 554-3155 • FAX (415) 554-3161

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
TREASURE ISLAND UTILITY OPERATIONS
1065 13TH STREET, TREASURE ISLAND
SAN FRANCISCO, CALIFORNIA 94130

December 7, 2000

CSO Office – Treasure Island
Bldg 1
Treasure Island
San Francisco, CA 94130

Ref: Utility Rate Change

I would like to adjust the utility rate for gas service starting on January 1, 2001 to reflect the drastic increase in the cost of the gas commodity.

The rate structure is:

Commodity	Rate for other than Federal Customer	Rate for DOL and Coast Guard
Water	$5.40 kgal	$4.59 kgal
Electric	$0.14275 kwh	$0.12134 kwh
Sewer	$5.75 kgal	$4.89 kgal
Gas	$6.00 kcf	$5.10 kcf

I propose that the utility rate structure be:

Commodity	Rate for other than Federal Customer	Rate for DOL	Rate for Coast Guard
Water	$5.40 kgal	$4.59 kgal	$4.59 kgal
Electric	$0.14275 kwh	$0.12134 kwh	$0.12134 kwh
Sewer	$5.75 kgal	$4.89 kgal	$4.89 kgal
Gas	Actual therm charge plus 20% in therms	Actual therm charge plus 17% in therm	$5.10 kcf

The commodity cost to me has ranged from a low of $0.3238 per therm in March of this year to the latest of $0.6501. The current rate of $6.00 kcf charge to TI/YBI customers is approximately $0.60 per therm. The latest industry purchase of gas on the open market was most recently double this. I cannot continue to subsidize the gas at the current rate structure.

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In order to better reflect the industry billing practice, I propose as shown a pass through of the commodity charge plus a TI/YBI transmission and maintenance charge of 20% (17% for Federal customers). The Coast Guard would remain the same since we have an existing Federal contract in place and the usage is limited to only Coast Guard housing.

Thank you,

Charles H. Swanson
Site Manager

Item 5 - File 01-0355

Departments:	Department of Administrative Services, Real Estate Division (RED) Department of Aging and Adult Services (DAAS)
Item:	Resolution authorizing an amendment to a lease of real property at 1650 Mission Street for the Department of Aging and Adult Services.
Location:	The proposed lease amendment is for the rental of space located on the ground floor, Suite 100, of 1650 Mission Street.
Purpose of Lease:	To (a) consolidate the current department staff currently located at both 875 Stevenson Street and 1380 Howard Street into a single location at 1650 Mission Street, and (b) to move DAAS closer to other social services facilities located near the Civic Center.
Lessor:	G & I Mission, L.L.C.
Lessee:	City and County of San Francisco, acting by and through the Department of Aging and Adult Services.
No. of Sq. Ft. and Cost Per Month:	11,046 square feet at a monthly rental rate of $48,823 (approximately $4.42 per square foot) in Year One of the subject lease.
Annual Cost:	$585,880 in Year One of the proposed lease.
Annual Rent Increases:	Approximately $0.33 per square foot per month, or an increase of 7.5 percent for Year Two of the proposed lease, increasing by fixed increments for the last three years of the proposed five-year lease in accordance with the table shown in Comment No. 1.
Annual Cost Over Current Rent Paid:	$75,580 for the remainder of FY 2000-01 (see Comment No. 8) $241,325 for FY 2001-02 (see Comment No. 7). However, as noted in Comment No. 6, including the anticipated rent increase at the existing DAAS locations, DAAS would save $125,116 in Year Three of the proposed lease, and realize savings in each of the following two years.

Utilities and: Janitorial Services:	Utilities and Janitorial Services will be provided by the landlord.
Term of Lease:	Retroactive to March 1, 2001 through February 28, 2006, or approximately five years (see Comment No. 3).
Right of Renewal:	None
Source of Funds:	For the remainder of FY 2000-2001, incremental rent and relocation costs will be paid through a reimbursement from Muni (see Comment No. 8). Thereafter, funding for the lease would be included in the DAAS annual budget.
Description:	The proposed resolution would authorize a new five-year lease amendment which would increase the space leased by the City at 1650 Mission Street by 11,046 square feet. Currently the City leases 74,476 square feet of space at 1650 Mission Street (see Comment No. 4). The proposed new space would allow DAAS to consolidate the majority of its staff into a single location, and would move DAAS closer to other social services facilities located near the Civic Center, according to Mr. John Clark, Acting Deputy Director of DAAS.
Comments:	1. According to the proposed lease, the rent payments owed by the City would be as follows:

Lease Year	Annual Base Rent	Monthly Base Rent	Approximate Rent Per Square Foot / Month	Percent Increase
1	$585,879.84	$48,823.32	$4.42	--
2	629,622.00	52,468.50	4.75	7.5%
3	673,364.16	56,113.68	5.08	6.9%
4	706,502.16	58,875.18	5.33	4.9%
5	718,431.84	59,869.32	5.42	1.7%

Mr. Legnitto states that the rent schedule was set to be equivalent to an average rental rate of $5.00 per square foot per month over the term of the lease because RED believes this rate to be equivalent to the fair market rate for this property for 2001.

According to Mr. Legnitto, the rent of the proposed space at the average rate of $5.00 per square foot per month would be at or below the aggregate prevailing market rate for the term of the contract. To support this conclusion, Mr. Legnitto notes that in August of 2000, the State Compensation Fund entered into a five-year lease agreement for approximately 18,000 square feet at 1650 Mission Street. The rental rate for that agreement was an average rate of $5.00 per square foot per month, according to Mr. Legnitto.

2. According to Mr. Legnitto, DAAS would incur approximately $132,000 in costs for improvements to the subject space (see Comment No. 8). The proposed resolution states:

> *"...Landlord shall perform tenant improvement work and City shall reimburse Landlord for such costs, subject to City's prior written approval in an amount not to exceed City's estimate of $132,000."*

According to Mr. Legnitto, while the proposed resolution authorizes the City to reimburse the landlord for up to $132,000 in tenant improvement work (see Attachment), the Department anticipates that the landlord would construct improvements which would cost $34,000, with the remaining $98,000 in improvements to be performed through a City contract, or by DTIS through a Work Order. Because the landlord-constructed portion of the improvements is not yet finalized, the proposed resolution provides authority to reimburse the landlord for up to $132,000 in the event that the City requires the landlord to complete more improvements than currently planned, according to Mr. Legnitto. The table below provides a description of the proposed tenant improvements to 1650 Mission Street:

Proposed Tenant Improvements / Relocation Expenses - 1650 Mission Street

RED Work Order (move planning, coordination, etc.)	$12,000
Computer move, server installation, workstation hookups	5,000
Furniture move	20,000
Buyout of phone switch, cubicles and wiring from previous tenant.	10,000
Phone system circuits/software/truncation equipment	36,000
Phone handsets for LPS staff (not compatible with PAPG)	5,600
Pacific Bell installation/configuration charges	5,400
Department of Telecommunications and Information Services (DTIS) Work Order for installation and configuration of equipment	4,000
Addition of partition walls to convert conference rooms into offices	34,000
TOTAL	$132,000

The Attachment to this report, provided by DAAS, provides further details regarding the costs listed above.

3. According to Mr. Legnitto, the lease commencement date retroactive to March 1, 2001 was a negotiated term of the proposed agreement and the date of March 1, 2001 is included in the proposed lease. According to Mr. Legnitto, upon approval of the proposed lease by the Board of Supervisors, DAAS would take immediate occupancy of the subject space at 1650 Mission Street, and complete their relocation over the course of two working days. According to Mr. Clark, all planned tenant improvements are relatively minor, and would be undertaken after DAAS has relocated into the proposed 1650 Mission Street space without causing significant disruption to DAAS operations. According to Mr. Clark, DAAS' current plan is to suspend operations at 5:00 p.m. Wednesday April 5, 2001, relocate Thursday April 6 and Friday April 7, and open for normal operations at their new location on Monday, April 10.

The City would also, according to Mr. Legnitto, become obligated to pay rent for the subject space beginning March 1, 2001. If the Board of Supervisors does not approve this lease, however, the City would have no obligation to pay rent. According to Mr. Legnitto, negotiations over the proposed lease were protracted because the City required time to find an appropriate City tenant to fill the space that would be vacated by DAAS at 875 Stevenson Street. As stated previously, DRE now proposes to relocate Muni staff to 875 Stevenson Street (see Comment No. 10). In order to keep the landlord from seeking alternate tenants, RED felt that it was necessary to offer the concession of a lease

commencement date of March 1, 2001. Mr. Legnitto reports that, if the Board of Supervisors were to reject the commencement date of March 1, 2001, the City and the Landlord may not be able to come to an agreement over the proposed lease amendment.

4. According to Mr. Legnitto, the City has leased portions of the subject property at 1650 Mission Street since 1996. The lease has been amended twice since 1996 to add additional space to the existing lease. The subject proposed lease would be the third amendment to the City's existing lease at 1650 Mission Street.

In 1996, the City entered into a new lease at 1650 Mission Street to provide the Department of Human Services (DHS) with 39,109 square feet of office space. This lease was first amended in September of 1997 to provide an additional 18,803 square feet of space at 1650 Mission for the DHS and for the Department of Building Inspection (DBI). The existing lease was amended a second time in May of 2000 to provide 16,564 square feet of additional space for both DHS and DBI. Currently, the City leases a total of 74,476 square feet at 1650 Market Street. According to Mr. Legnitto, rent currently paid by the City on space at 1650 Mission Street ranges from $1.35 per square foot per month to $4.42 per square foot per month, as shown in the table on the following page. In total, if this proposed amendment to provide 11,046 square feet of additional space for DAAS is approved, the City would be renting 85,522 square feet at 1650 Mission Street at an average cost per square foot per month of approximately $2.36.

Existing and Proposed City Leased Space at
1650 Mission Street Since June 7, 1996

	Date	Department	Floor	Area	Rent per Month*	Annual Base Rent*	Cost per Sq. Ft./ Mo.*
Original Lease	6/7/96	DHS	2nd	39,109	$52,773	$633,276	$1.35
First Amendment	9/22/97	DHS	3rd	10,896	$16,126	$193,513	$1.48
		DBI	3rd	7,907	$11,702	$140,428	$1.48
		Amendment Total		18,803	$27,828	$333,941	$1.48
		Lease Total		57,912	$80,601	$967,217	$1.39
Second Amendment	9/14/00	DHS	3rd	8,905	$39,360	$472,321	$4.42
		DHS	2nd	1,944	$7,290	$87,480	$3.75
		DBI	3rd	5,715	$25,260	$303,124	$4.42
		Amendment Total		16,564	$71,910	$862,925	$4.34
		Lease Total		74,476	$152,511	$1,830,142	$2.05
Proposed Third Amendment	3/1/01	DAAS	1st	11,046	$48,823	$585,880	$4.42
		Lease Total		85,522	$201,334	$2,416,022	$2.36

*Rental rates are for the current contract year, as of the writing of this report.

5. According to Mr. Clark, the primary reason for the proposed lease is that the Department would be able to consolidate several functions into one location at 1650 Mission Street. According to Mr. Clark, there are two divisions within DAAS that would relocate to 1650 Mission Street under the proposed lease. In total, present annual rent for these two locations is $359,135 ($289,135 plus $70,000). The first of these divisions, the Public Administrator-Public Guardian, which consists of 50 employees, would vacate approximately 11,928 square feet at 875 Stevenson Street for which DAAS now pays rent of approximately $24,095 per month and approximately $289,135 annually to move to the first floor of 1650 Mission Street. According to Mr. Clark, Muni would then occupy the vacated space at 875 Stevenson Street (see Comment No. 10). The second division to relocate would be the Mental Health Conservator, which consists of 20 employees. The Mental Health Conservator would relocate

to the first floor of the subject space at 1650 Mission Street, vacating approximately 2,300 square feet of space at 1380 Howard Street for which they now pay rent of $5,833 per month and $70,000 annually[1]. According to Mr. Clark, the Department of Public Health would assume occupancy under the current City lease at 1380 Howard Street (see Comment No. 11).

Additionally, according to Mr. Clark, two current divisions of the Department of Human Services, Adult Protective Services (APS) and In-Home Supportive Services (IHSS) are scheduled to become part of DAAS in FY 2001-02 and FY 2002-03, respectively. Mr. Clark states that, since these two divisions currently employ 125 staff at 1650 Mission Street in space now leased by the Department of Human Services, the subject proposed lease space is an ideal location for long-term consolidation of the DAAS.

6. According to Mr. Legnitto, the rent at 1380 Howard Street and 875 Stevenson Street, the two buildings currently occupied by DAAS, are scheduled to increase to the prevailing market rent within the next 27 months[2]. According to Mr. Legnitto, if DAAS were to stay in its current locations, beginning November 1, 2002, the rent at 875 Stevenson Street will increase from the current rate of $2.02 per square foot per month, or approximately $289,135 annually (11,928 square feet x $2.02 per square foot per month x 12 months), to $5.00 per square foot per month, or approximately $715,680 annually (11,928 square feet x $5.00 per square foot per month x 12 months). Further, Mr. Legnitto states that beginning July 1, 2003, the rent at 1380 Howard Street will increase from the current rate of approximately $2.54 per square foot per month, or approximately $70,000 annually (2,300 square feet x approximately $2.54 per square foot per month x 12 months), to an estimated $3.00 per square foot per month, or approximately $82,800 annually (2,300 square feet x $3.00 per square foot per month x 12 months). Therefore, starting in FY 2003-04, DAAS rent would total approximately $798,480 annually ($715,680 plus $82,800) if it were to remain in its current leased space locations.

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[1] Rent at 1380 Howard Street includes custodial services, limited data-processing support services, utilities, and parking.

[2] According to Mr. Legnitto, the rent at 1380 Howard Street would be adjusted to 95% of fair market, not to exceed $3.00 per square foot per month.

By contrast, the proposed lease at 1650 Mission Street would require annual rent of $673,364 in Year Three of the proposed lease, or $125,116 less than the projected FY 2003-04 rent of $798,480 for DAAS' current leased space.

7. According to Mr. Clark, DAAS currently has budgeted a total of approximately $359,000 in rent payments for Fiscal Year 2000-2001 for the space it currently occupies. Under the proposed lease, the Department would pay a total of $600,460 rent for FY 2001-02 (Lease Year 1 rent of $48,823.32 monthly for eight months plus Lease Year 2 rent of $52,468.50 monthly for four months). This would represent a $241,325 or a 67.2 percent increase over the DAAS rent of $359,135 in FY 2000-2001. However, as previously noted in Comment No. 6, including the anticipated rent increases at their existing locations, DAAS would save $125,116 annually beginning in Year Three of the proposed lease, according to Mr. Legnitto.

8. According to Mr. Clark, improvements and relocation costs, which are detailed in the Attachment to this report, would total $132,000. Additionally, there would exist a rent differential of approximately $75,580[3], which would bring DAAS' total relocation and incremental rent costs for FY 2000-01 to $207,580. According to Mr. Clark, in exchange for its current space at 875 Stevenson Street and for the modular furniture and equipment located at that site, Muni would make a one-time payment of $197,000. Muni's payment would cover approximately 95 percent of DAAS' moving costs, leaving approximately $10,580 for the Department to absorb. According to Mr. Clark, DAAS will pay for the remaining $10,580 through salary savings that the Department would achieve.

9. At its current locations at 875 Stevenson Street and 1380 Howard Street the Department averages 115 square feet per employee (approximately 2,300 square feet divided by 20 staff) and 239 square feet per employee (approximately 11,928 square feet divided by 50 staff), respectively. This averages approximately 203 square feet per employee over the two locations (approximately 14,228 square feet divided by 70 staff). The subject proposed lease

[3] $195,292 (4 x $48,823) in rent payments under the new lease for the four-month period from March 1, 2001 through June 30 2001, less $119,712 in rent payments at the current rate for the same period (4 x $24,095, plus 4 x $5,833).

space would provide approximately 158 square feet per employee (11,046 square feet divided by 70 employees) at the new location. Mr. Legnitto notes that, with the proposed move, DAAS would reduce the average number of square feet per employee by 45 square feet (203 less 158), and reduce its total space by 3,182 square feet (14,228 less 11,046).

10. According to Mr. Jim Nielsen of Muni, Muni would relocate 62 staff persons from two separate locations into the 11,928 square foot space at 875 Stevenson Street that would be vacated by DAAS. This would provide Muni with approximately 192 square feet per employee at the 875 Stevenson Street location. As noted above, Muni would vacate space at two locations: (1) 46 staff persons would vacate approximately 8,000 square feet of space at 425 Mason Street, where Muni currently has approximately 174 square feet per employee, and (2) 16 staff persons would vacate approximately 2,000 square feet of space at 949 Presidio, where Muni currently averages approximately 125 square feet per employee. Muni currently averages approximately 161 square feet per employee over the two locations (10,000 square feet divided by 62 employees).

According to Mr. Nielsen, the space vacated by Muni at 949 Presidio would be filled by other Muni personnel at that location. Specifically, 10 Muni Information Services staff that are currently located in a 500 square foot space at 949 Presidio (which provides approximately 50 square feet per employee) would move into the 2,000 square foot space (which would then provide approximately 200 square feet per employee) that would be vacated by the Muni personnel relocating to 875 Stevenson Street. The 500 square foot space vacated by the Muni Information Technology staff would be used to accommodate an as yet undetermined number of new Muni Safety Training and Security personnel, according to Mr. Nielsen.

According to Mr. Carlos Jacobo of the PUC, the space vacated by Muni at 425 Mason Street would be occupied by PUC personnel currently at that location. According to Mr. Jacobo, 95 PUC Customer Services Bureau and Information Technology Services Bureau staff are currently

located in 20,000[4] square feet of space at 425 Mason Street, which currently provides approximately 211 square feet per employee. As a result of the proposed resolution, the PUC would expand into the 8,000 square foot space vacated by Muni. According to Mr. Jacobo, this extra space would allow the PUC to fill 17 vacant positions at 425 Mason Street. The expanded space would then provide approximately 250 square feet per employee (28,000 square feet divided by 112 employees). Mr. Jacobo states that the PUC has been unable to fill vacant positions which would be located at 425 Mason Street because there is currently insufficient space at that location. According to Mr. Jacobo, the additional 8,000 square feet that would be vacated by Muni would allow the PUC to fill all its current vacancies in its Customer Services and Information Technology Services Bureaus. According to Mr. Jacobo, the additional space would also allow the PUC to add additional needed data processing equipment for the Information Technology Services Bureau.

11. According to Ms. Judy Schutzman of DPH, the 2,300 square feet of space at 1380 Howard Street that would be vacated by DAAS would be occupied by DPH staff already at that location in order to alleviate overcrowding. Ms. Schutzman states that, while 310 DPH staff currently occupy approximately 70,000 square feet at 1380 Howard Street, the average of 226 square feet per employee is not representative of the state of overcrowding that currently exists at that location. Ms. Schutzman notes that this approximately 70,000 square feet of space includes common areas and space occupied by machinery at the DPH computing center at that location. According to Ms. Schutzman, DPH currently utilizes every desk space available at 1380 Howard, and, for the last two years, has had a minimum of ten of its employees using desks that have been placed in hallways for lack of space. The space vacated by DAAS would reduce the number of employees at 1380 Howard Street from 310 to 290, and increase the average square feet per employee from 226 to 241 (70,000 square feet divided by 290 employees).

[4] Including common areas and space occupied solely by computer and data processing equipment.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

City and County of San Francisco
Mayor Willie L. Brown, Jr.

DEPARTMENT OF AGING AND ADULT SERVICES
Dr. Sandra Y. Nathan, Executive Director

Commission on the Aging
Mental Health Conservator
Public Administrator-Public Guardian

JOHN D.R. CLARK
Deputy Executive Director
Direct Dial: (415) 554-5023
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MEMORANDUM

TO: DALEY DUNHAM

FROM: JOHN CLARK

DATE: MARCH 13, 2001

RE: **MOVE TO 1650 MISSION**

The Department of Real Estate and I have arrived at estimated figures for the cost of moving the Public Administrator-Public Guardian Division and the Mental Health Conservator Division from their present locations to 1650 Mission.

1650 Mission Move				
	$12,000		Real Estate Dept. Work Order (Move planning/Coordination)	
	$5,000		Computer move, server installation, workstation hookups	
	$20,000		Furniture move	
	$10,000		Buyout of CSAA phone switch, cubicles and wiring	
	$36,000		Phone system circuits/software/truncation	
	$5,600		Phone handsets for LPS staff (theirs not compatible with PAPG)	
	$5,400		Pacific Bell installation/configuration charges	
	$4,000		DTIS Work Order	
	$34,000		Tenant improvements at 1650 Mission	(adding partition walls to convert conference rooms into offices)
TOTAL	$132,000			

In addition to this $132,000 in move-related costs, there will be an estimated $75,580 in increased rent at 1650 Mission for the remainder of this FY.

To pay for the move, the department proposes to use the payment to be made by MUNI for use of the PAPG space at 875 Stevenson St. MUNI has agreed to pay $197,000, for which it will receive:

1. Modular furniture (cubicles) new in 1999 – approximately 40 work stations (1999 original cost=$114,000)

2. Value of buildout – configuration of space into 15 private offices and shared work areas (1999 original cost=$351,000)

3. DTIS wiring (all Category-5) (1999 original cost=$55,000)

Total 1999 value = $520,000

By reusing the space at 875 Stevenson for a similar number of employees requiring an essentially similar configuration, MUNI will be able to avoid a potential buildout and furniture cost of $500,000 – so the $197,000 figure benefits both departments.

The total move-related cost for DAAS will be $132,000+$75,580=$207,580. Subtracting the MUNI payment leaves $10,580. We will be able to absorb that cost by not filling two anticipated retirements in classification 2932 and classification 1458. I estimate these savings as follows:

1458: 6 pay periods x $2,151 b/w=$12,906	
2932: 6 pay periods x $2,654 b/w=$15,924	
Subtotal	$28,830
Less accumulated vacation, etc.	- 9,610
Net available:	$19,220

Item 6 – File 01-0268

Department: Department of Public Works (DPW)

Item: Hearing to consider the release of reserved funds for the DPW in the amount of $504,225 to fund overtime expenditures and $476,000 for 60 new General Laborer positions in the Bureau of Street Environmental Services, for a total release of reserves of $980,225.

Amount: $980,225 ($504,225 for overtime expenditures plus $476,000 for the General Laborer expenditures)

Source of Funds:

DPW Request for Release of Overtime Reserve for FY 2000-2001	
General Fund	$60,853
Interdepartmental Work Order	265,232
Overhead	30,023
Gas Tax	133,267
Road Fund	14,850
Subtotal	**$504,225**
General Laborers FY 2000-2001	
General Fund Reserve	$476,000
Subtotal	**$476,000**
Total Source of Funds	**$980,225**

Description:

Overtime ($504,225)

The DPW FY 2000-2001 budget included total overtime expenditures of approximately $1,528,359, of which $543,659 or 35.6 percent was reserved, leaving $984,700 available for expenditure. Although this request is to release $504,225 from reserve, the final appropriation ordinance contained a reserve of $543,659.

The table below provides a summary of overtime expenditures to date and projected overtime expenditures for FY 2000-2001, based on the DPW's records, which have been reviewed and verified by the Controller's Office.

Overtime Expenditures				
	FY 2000-2001 Budget	Actual Expenditures Through Pay Period Ending 2/2/2001	Projected Expenditures Through June 30, 2001 *	Projected Surplus (Defi
Overtime	$1,528,359	947,572	$1,589,476	$(61,1

*Projection based on spending at the level of the pay period ending February 2, 2001 for the remainder of Fiscal Year.

As summarized in the table above, the DPW's latest projection report for overtime expenditures shows that:

- As of the pay period ending February 2, 2001, the DPW has incurred total overtime expenditures of $947,572.

- Through February 2, 2001 (or 15.5 of 26.0 pay periods in FY 2000-2001) the DPW has expended approximately 62 percent of its total overtime appropriation of $1,528,359 and approximately 96.2 percent of its available, unreserved overtime funding of $984,700.

- Based on overtime expenditures incurred during the pay period ending February 2, 2001, DPW will expend a total of $1,589,476 on overtime which is approximately $61,117 more than the Department's total FY 2000-2001 overtime appropriation. The Budget Analyst concurs with DPW's projections.

Ms. Olson estimates that the projected overtime deficit of $61,117 will be offset with DPW salary savings, and will therefore not require a supplemental appropriation request. Attachment I provided by DPW further documents the projected total overtime expenditures of $1,589,476.

General Laborers ($476,000)
In the FY 2000-2001 DPW budget, as finally approved by the Board of Supervisors, funding was approved for 60 new permanent 7514 General Laborer positions for the Bureau of Street Environmental Services (see Comment 1). During the budget review, the Finance and Labor Committee placed

$476,000 on reserve or approximately 25 percent of the $1,934,454 for nine months of salaries for the 60 new General Laborer positions, pending DPW's provision of additional details for increasing the opportunities for General Assistance recipients to fill the General Laborer positions. Attachment II, provided by Ms. Olson, explains that the DPW retained 60 as-Needed General Laborers which they had hired during the 2000 dry tourist season (May through August) for the 60 subject General Laborer positions and made other positions within the DPW available to General Assistance recipients.

Ms. Olson states that the DPW budgeted $1,934,954 for the 60 General Laborer positions, based on filling the positions for nine months of the year. According to Ms. Olson, the DPW filled the subject 60 General Laborer positions on a temporary basis in September of 2000 because the Department of Human Resources has not completed a General Laborer permanent list (see page 2 of Attachment II provided by DPW). Ms. Olson advises that the requested release of reserved funds for the 60 General Laborers in the amount of $476,000 would be used to fund salaries for these positions from April 1, 2001 through June 30, 2001.

Comments:

1. Prior to the addition of 60 new General Laborer positions, DPW had 90 General Laborer positions for its Manual Street Cleaning Program. According to Ms. Olson, with the 60 new General Laborers, the DPW was able to increase the Manual Street Cleaning staff in all 11 districts for all three work shifts. The General Laborers are deployed to clean City streets and remove litter in the City's 11 districts, which were organized around the new district election boundaries. The 11 street cleaning districts replace the 4 districts that were in operation for street cleaning and litter removal purposes during the last several years. Attachment III provided by Ms. Olson shows the deployment of the 150 General Laborers by the 11 street cleaning districts, including the new 60 positions.

2. As previously noted, the total amount reserved for overtime in the DPW FY 2000-2001 budget was $543,659 or $39,434 more than this subject request of $504,225.

3. Based on discussions with Ms. Olson and as shown in Attachment II, DPW projects a net General Fund surplus in its Bureau of Street Environmental Services of $89,017. Therefore, the request of $476,000 for General Laborers in the Bureau of Street Environmental Services should be reduced by $89,017 to $386,983.

4. Included in this request of $504,225 for Overtime is $125,000 to pay DPW for Overtime incurred to transport ballots during the November 2000 election. This $125,000 was also requested under File 01-0249, in a supplemental appropriation ordinance for the Department of Elections. That ordinance has been continued by the Finance Committee to the Call of the Chair. The Budget Analyst has recommended that the $125,000 in File 01-0249 be deleted.

Recommendations: 1. Approve the requested release of reserved funds of $504,225 for Overtime and continue to reserve $39,434 of the total amount previously reserved of $543,659 in accordance with Comment No. 2 above.

2. Approve the requested release of reserved funds for General Laborers of $386,983 or $89,017 less than the request of $476,000 and continue to reserve $89,017 of General Fund monies in the DPW Bureau of Street Environmental Services in accordance with Comment No. 3 above.

3. In total these recommendations would result in savings of $128,451 ($39,434 plus $89,017).

Attachment I

DEPARTMENT OF PUBLIC WORKS
AS OF FEBRUARY 2, 2001 OVERTIME REPORT

	FY 2000-2001			YEAR TO-DATE 2000-2001 (THRU FBRUARY 2, 2001)			STRAIGHT LINE PROJECTION FOR FY 2000-2001 (THRU JUNE 30, 2001)				
GENERAL FUND	BUDGETED SALARIES (*)	BUDGETED OVERTIME	PERCENT	ACTUAL SALARIES (*)	ACTUAL OVERTIME	PERCENT	PROJECTED SALARIES (*)	PROJECTED OVERTIME	PERCENT	Total Salaries & Overtime	Estimated Balance
BBR	2,142,269	55,841	2.61%	1,339,552	74,192	5.54%	2,246,990	124,451	5.54%	2,371,442	-173,332
SES	4,231,097	126,716	2.99%	2,253,768	118,854	5.27%	3,780,514	199,368	5.27%	3,979,882	377,931
BSM	1,518,618	4,600	0.30%	881,863	2,493	0.28%	1,479,254	4,182	0.28%	1,483,436	39,782
SUBTOTAL	7,891,984	187,157	2.37%	4,475,183	195,539	4.37%	7,506,759	328,001	4.37%	7,834,759	244,382
GAS TAX											
SES	8,428,029	399,802	4.74%	4,592,344	280,917	6.12%	7,703,287	471,216	6.12%	8,174,502	653,329
SUBTOTAL	8,428,029	399,802	4.74%	4,592,344	280,917	6.12%	7,703,287	471,216	6.12%	8,174,502	653,329
ROAD FUND											
SSR	1,491,012	44,550	2.99%	881,283	36,375	4.13%	1,478,281	61,016	4.13%	1,539,297	-3,735
SUBTOTAL	1,491,012	44,650	2.99%	881,283	36,375	4.13%	1,478,281	61,016	4.13%	1,539,297	-3,735
INTER DEPARTMENTAL											
BOA	NA	124,634	NA	NA	9,979	NA	NA	16,739	NA	NA	107,895
BBR	NA	286,347	NA	NA	173,002	NA	NA	290,197	NA	NA	-3,850
BOE	NA	89,302	NA	NA	4,419	NA	NA	7,413	NA	NA	81,889
SES	NA	0	NA	NA	4,888	NA	NA	8,199	NA	NA	-8,199
SSR	NA	115,133	NA	NA	51,623	NA	NA	86,593	NA	NA	28,540
BCM	NA	153,160	NA	NA	121,917	NA	NA	204,506	NA	NA	-51,346
BSM	NA	27,097	NA	NA	36,320	NA	NA	60,924	NA	NA	-33,827
SUBTOTAL	NA	795,673	NA	NA	402,148	NA	NA	674,571	NA	NA	121,102
OVERHEADS											
BOA	NA	4,962	NA	NA	733	NA	NA	1,230	NA	NA	3,732
BBR	NA	14,810	NA	NA	7,906	NA	NA	13,262	NA	NA	1,548
BOE	NA	7,141	NA	NA	0	NA	NA	0	NA	NA	7,141
SES	NA	43,659	NA	NA	13,095	NA	NA	21,966	NA	NA	21,693
SSR	NA	6,613	NA	NA	2,808	NA	NA	4,710	NA	NA	1,903
BCM	NA	4,253	NA	NA	1,217	NA	NA	2,041	NA	NA	2,212
BSM	NA	2,000	NA	NA	0	NA	NA	0	NA	NA	2,000
GEN	NA	17,739	NA	NA	6,834	NA	NA	11,463	NA	NA	6,276
SUBTOTAL	NA	101,177	NA	NA	32,593	NA	NA	54,672	NA	NA	46,505
GRAND TOTAL	17,811,025	1,528,359	NA	9,948,810	947,572	NA	16,688,326	1,589,476	NA	18,277,802	1,061,582

(*) Including Temporary

3/14/01] 1 u:\fin_0001\overtC.xls

City and County of San Francisco

Willie Lewis Brown, Jr., Mayor
Edwin M. Lee, Director

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Department of Public W
Office of the Dir
City Hall, Room
1 Dr. Carlton B. Goodlett P
San Francisco, CA 94102-

March 14, 2001

Maureen Singleton
Budget Analyst's Office
1390 Market Street, Room 1025
San Francisco, CA 94102

Subject: DPW's Release of Reserves

Dear Ms. Singleton:

You requested a letter addressing the following areas in our release of reserve request pending before the Finance Committee:

DPW's Training and Transitional Employment Opportunities for General Assistance Welfare Recipients

In the FY 00/01 budget, the Department of Public Works (DPW) received funding for 60 (45 FTE) additional General Laborer positions. During its review of DPW's budget, the Board of Supervisors placed $476,000 or 25 percent of the salaries for the 60 new General Laborer positions on reserve pending an agreement between the Department and the President of the Board on methods for increasing opportunities for welfare and general assistance recipients to pursue employment opportunities with the Department.

The Department met with representatives of the Board President's staff in July, August and again in January to review the current status of our programs, staffing, and to establish steps to address the Supervisor's concerns.

DPW hires approximately 14 FTE General Laborers and 2.0 FTE Gardeners annually on an as-needed basis for various assignments such as backfilling street cleaning assignments and to provide supplemental cleaning and landscaping during the dry tourist season. To recruit these as-needed General Laborers and Gardeners, the Department will work with a number of nonprofit agencies and community based organizations. DPW will also utilize these organizations to recruit candidates for our training programs. Working for the Department in a temporary or training capacity will provide individuals with an orientation to the job skills and requirements that will benefit them when competing for permanent positions through the Civil Service exam process. We have identified the following organizations for these outreach efforts: Mission Hiring Hall,

POWER, the San Francisco League of Urban Gardeners, the Chinatown Community Development Center, the Garden Project/Tree Corps, and the Southeast Community Center. The Department is currently in the process of recruiting candidates for temporary Gardening and General Laborer positions and will be contacting these nonprofit agencies for lists of potential candidates.

The Department will also notify these same organizations when the City advertises for permanent Civil Service gardening or general laborer examinations. Additionally, the Department will maintain a database of individuals who have worked for the Department in a temporary capacity and will notify them directly of upcoming permanent Civil Service examinations.

Projected Salary Savings at DPW's Bureau of Street Environmental Services (SES) and Hiring General Laborers

As previously described, SES hires approximately 16 FTE General Laborers and Gardeners on an as-needed basis annually for additional manual streets cleaning services during the dry tourist season (May through August) which is approximately 35 positions. If we have additional funding such as salary savings or work-orders at SES we will hire additional (beyond the 35 positions) as-needed General Laborers during that season. At the beginning of May 2000, we had 65 General Laborers working at SES on an as-needed basis providing additional manual streets cleaning services. After the Board of Supervisors approved the 60 General Laborer positions in DPW's FY 2000-01 budget, instead of letting 60 of those General Laborers go at the end of the dry season as we normally would, we kept them on. We have been unable to put them into permanent positions because the Department of Human Services has not completed a General Laborer permanent list. However, we are covering their salaries through the permanent salaries approved by the Board of Supervisors.

Our straight-line projections indicate that we will end the year with a $1,278,762 surplus in SES's General Fund and Gas Tax salary and mandatory fringe benefit (MFB) budgets after covering SES's projected overtime over-expenditure of $270,813[1]. Some of that surplus is due to the General Laborer positions and some of it is due to our inability to fill other positions, such as Gardeners and Environmental Control Officers, in a more timely manner because of pending permanent lists from DHR. Attached is a list of SES's vacant positions, expected hire dates, and the total estimated salary cost through the end of FY 2000-01. As you can see, we expect to incur $473,098 in salary and MFBs after filling these positions. Thus, we expect to have $805,664 in salary and MFB savings at SES by the end of FY 2000-01 ($1,278,762 projected surplus minus $473,098 in expected salary and MFB expenditures).

[1] $468,634 in General Fund savings and $810,128 in Gas Tax savings for a total of $1,278,762 includes Permanent salaries, temporary salaries and mandatory fringe benefits at 24%.

Unfortunately, we are also projecting SES to over-expend its fuel budget by $151,647 and its vehicle maintenance budget by $268,000 for a total of $419,647 in projected over-expenditures (see attached email from Jim Johnson of Central Shops). We plan to use some of SES's salary and MFB savings towards these overages. After subtracting this $419,647 from the $805,664 in savings, there is a $386,017 projected surplus.

Finally, because we project these additional salary savings this year, we are planning to hire 30 as-needed General Laborers from April 1, 2001 through June 30, 2001 to provide additional manual street cleaning and landscape/median island maintenance services during the beginning of the dry tourist season. These additional staff will cost approximately $297,000 in salaries and fringe benefits. Consistent with our agreement with the President of the Board of Supervisors, we are recruiting from the Garden Project/Tree Corps and SLUG to fill these 30 as-needed positions.

Thus, we expect to have approximately $89,017 in salary savings at the end of FY 2000-01. We expect all of these savings to accrue to the General Fund (see attached summary of Uses of Projected Salary Savings).

DPW's Projected Deficits

Bureau of Building Repair and Bureau of Street and Sewer Repair

While a straight-line projection for the Bureau of Building Repair (BBR) and the Bureau of Street and Sewer Repair (SSR) indicates deficits of $173,332 at BBR and $3,735 in their General Fund and Gas Tax budgets, we expect both of these bureaus to end the fiscal year within their approved budgets.

BBR is like the City's in-house contractor. They have stationary engineers, plumbers, sheet metal workers, painters and carpenters who do projects for many City departments. They move staff as needed to the various projects and therefore funding sources throughout the year. Thus, BBR's bi-weekly labor expenditures against the General Fund vary throughout the year. Some months it appears that BBR is running a surplus and other months a deficit. However, in the past six years since I've been here, they have always ended the year within budget.

SSR also moves its staff between street repair (potholes and patching), street repaving and sewer repair projects and therefore its funding sources depending on the weather. Similar to BBR, it is difficult to do a straight-line projection on SSR's salaries. We expect SSR to also end the year within budget.

Bureau of Construction Management (BCM) and Bureau of Street Use and Mapping (BSM) – Interdepartmental Budgets

We are projecting BCM to over-expend its overtime budget in its interdepartmental budget by $51,346 and BSM to over-expend its overtime budget by $33,827. Both of these projected over-expenditures are related to street construction projects implemented during the nights and week-ends.

The Street Construction Coordination Center (SCCC) is budgeted in BSM's Interdepartmental budget. Most of BSM's overtime expenditures have occurred in the SCCC. The SCCC inspects all construction work (both resurfacing and utility work) in the City's streets. When that street construction work occurs during the nights and weekends City staff use overtime to provide inspection services. We have been working with contractors and City agencies to implement as much street related construction work as possible during the nights and weekends to reduce its effects on traffic flow. All of these additional overtime expenditures are covered by Excavation Fees collected by BSM.

For DPW sponsored street resurfacing projects, BCM is responsible for inspecting the construction. As discussed above, we have been scheduling much of that work during the nights and week-ends. BCM's inspectors therefore must work nights and week-ends to inspect that work on overtime. All of these costs are covered through the grants funding the street resurfacing projects.

If you have any questions about this letter, please call me at 554-4830.

Sincerely,

Tina Olson
Manager, Finance and Budget

Cc: Ed Lee
Mohammad Nuru
John Cone
Bob Beck
Barbara Moy
Don Eng

Bureau of Street Environmental Services
Vacancies and Hire Dates by Fund

Class	Description	Annual Salary Cost*	Date Filled / To Be Filled	Projected Salary Cost General Fund	Projected Salary Cost Gas Tax	Total Projected Cost
1704	Commun. Dispatcher I	42,380	TBD	0		-
3417	Gardener	44,798	19-Mar		12,923	12,923
3417	Gardener	44,798	19-Mar		12,923	12,923
3417	Gardener	44,798	19-Mar		12,923	12,923
3417	Gardener	44,798	19-Mar		12,923	12,923
3417	Gardener	44,798	19-Mar		12,923	12,923
3417	Gardener	44,798	19-Mar		12,923	12,923
3417	Gardener	44,798	19-Mar		12,923	12,923
3417	Gardener	44,798	19-Mar		12,923	12,923
3417	Gardener	44,798	19-Mar		12,923	12,923
7215	General Laborer Sup. I	47,268	TBD		0	-
7215	General Laborer Sup. I	47,268	19-Mar	13,635		13,635
7215	General Laborer Sup. I	47,268	19-Mar	13,635		13,635
7215	General Laborer Sup. I	47,268	19-Mar	13,635		13,635
7215	General Laborer Sup. I	47,268	19-Mar	13,635		13,635
7215	General Laborer Sup. I	47,268	19-Mar		13,635	13,635
7215	General Laborer Sup. I	47,268	19-Mar		13,635	13,635
7215	General Laborer Sup. I	47,268	19-Mar		13,635	13,635
7281	St. Cleaning Supv. II	65,858	30-Apr	11,399		11,399
7281	St. Cleaning Supv. II	65,858	30-Apr	11,399		11,399
7281	St. Cleaning Supv. II	65,858	30-Apr	11,399		11,399
7355	Truck Driver	51,662	05-Feb		20,864	20,864
7355	Truck Driver	51,662	05-Feb		20,864	20,864
8280	Envrnm. Cntrl Officer	46,930	02-Apr	11,733		11,733
8280	Envrnm. Cntrl Officer	46,930	02-Apr	11,733		11,733
8280	Envrnm. Cntrl Officer	46,930	02-Apr		11,733	11,733
8280	Envrnm. Cntrl Officer	46,930	02-Apr		11,733	11,733
8280	Envrnm. Cntrl Officer	46,930	02-Apr		11,733	11,733
8280	Envrnm. Cntrl Officer	46,930	02-Apr		11,733	11,733
8280	Envrnm. Cntrl Officer	46,930	02-Apr		11,733	11,733
8280	Envrnm. Cntrl Officer	46,930	02-Apr		11,733	11,733
8282	Supervising ECO	51,623	TBD	0		-
8282	Supervising ECO	51,623	TBD	0		-
1630	Accounts Clerk	40,206	19-Mar		0	-
						-
						-
						-
	Total:			112,201	269,330	381,530

Notes:
* Salary Costs as per Salary Table effective January 06, 2001
TBD = To Be Determined; Unlikely to be filled this FY

MFBs @ 24%	26,928	64,639	91,567
Total Cost	139,129	333,969	473,097

Author: Jim Johnson at -PUR-CENTRAL-SHOPS
Date: 03/13/2001 9:43 AM
Priority: Normal
Receipt Requested
TO: Tina Olson at ~DPW-OFFMA
CC: Ara Minasian at ~ADMIN-SVCS
Subject: Bureau of Environmental Services

------------------------------------ Message Contents ------------------------------------

March 13, 2000

Tina;

I have listed below the amount that the DPW, Street and Environmental Services Division will need to supplement the M&R account and Fuel account for fiscal year 2000-2001. If you have any questions, please get back to me. Thanks!

DPW - Street and Environmental Services
DPW had budgeted for Street and Environmental Services Division a total of $1,913,100 for maintenance and repair. At the end of February the total expenditure for this account was $1,427,700 leaving a total of $485,400 remaining in this account.

There are currently two Packer trucks which are in the Truck Shop waiting for repairs. Both Packers will require extensive repair to the packing assembly. The estimated cost of repair for each of these units is around $25,000 per vehicle. Taking this additional $50,000 into account, it will be necessary for DPW to supplement the M&R account with an additional $268,000 to make it through the end of the fiscal year.

DPW had budgeted for Street and Environmental Services Division a total of $534,000 for fuel. At the end of February the total expenditure for this account was $459,384, leaving a balance of $74,615. It will be necessary for DPW to supplement this account with an additional $151,647 to make it through the end of the fiscal year.

Street and Environmental Services

M&R	$268,000
Fuel	$151,647
Total	$419,647

DPW's Street Environmental Services (SES)

Uses of Projected Salary Savings (FY 2000-01)

		Additional FY 2000-01 Costs			
Fund Source	**Projected Savings (1)**	**Projected New Hires Amount**	**Fuel & Maintenance**	**30 As-Needed General Laborers & Gardeners**	**Net Savings**
General Fund	468,634	139,129	140,260	100,228	89,017
Gas Tax	810,128	333,969	279,387	196,772	0
Total	1,278,762	473,098	419,647	297,000	89,017

(1) Inlcudes permanent salaries, temporary salaries, overtime and mandatory fringe benefits.

As-needed General Laborers
April 1, 2001 thru June 30, 2001
DPW's Street Environmental Services (SES)

	Biweekly Pay	Number of General Laborers	Multiply by 6 pay periods
General Laborers	1,375	30	247,500
MFBs @ 20%			49,500
Total			**297,000**

Department of Public Works
Bureau of Street Environmental Services
Manual Cleaning Staffing
By Supervisory District

With 60 Position:

District	Day Shift	Swing Shift	Night Shift	Totals
1	8	0	0	8
2	7	1	0	8
3	15	1	0	16
4	7	0	0	7
5	7	1	0	8
6	20	4	10	34
7	7	2	0	9
8	13	3	2	18
9	10	1	0	11
10	10	2	0	12
11	14	3	2	19
Total	**118**	**18**	**14**	**150**
*Fri-Mon**	*59*	*9*	*7*	*75*

Without 60 Positions:

District	Day Shift	Swing Shift	Night Shift	Totals
1	5	0	0	5
2	4	0	0	4
3	8	1	0	9
4	4	0	0	4
5	4	1	0	5
6	11	4	8	23
7	4	2	0	6
8	7	2	1	10
9	6	1	0	7
10	6	1	0	7
11	8	1	1	10
Total	**67**	**13**	**10**	**90**
*Fri-Mon**	*33*	*6*	*5*	*44*

* Subset of Totals

Item 8 – File 01-0274

Department: Treasurer and Tax Collector's Office

Item: Ordinance amending the Business and Tax Regulations Code to (1) repeal Section 917.1 of Article 12-A and all of Article 12-B to eliminate the Gross Receipts method of calculating the tax on businesses; (2) enact a new Article 12 to amend the Business Tax Registration requirements consistent with the repeal of Article 12-B; and, (3) enact a new Article 12-B to refund Gross Receipts-based tax payments for the 2000 tax year (January 1, 2000 through December 31, 2000) to the extent that such payments exceeded businesses' tax liability for such year as measured by their payroll expense and resulting Payroll Tax liability to the City, effective retroactively to January 1, 2000.

Description: According to Mr. Tom Owen of the City Attorney's Office, the proposed ordinance would:

- Repeal the Gross Receipts method of calculating the Business Tax effective January 1, 2000 (2000 tax year).
- Amend the Business Tax Registration Certificate Fee requirements to be consistent with the repeal of the Gross Receipts Tax.
- Refund Gross Receipts-based Taxes for the 2000 tax year which exceed the amount that would have been due to the City in Payroll Taxes based on the businesses' payroll expenses.

Comments: 1. According to Ms. Julie Van Nostern of the City Attorney's Office, this ordinance is intended to respond to a series of lawsuits challenging the City's Business Tax structure. Ms. Van Nostern advises that those lawsuits include a claim that the City's alternative Business Tax structure is unconstitutional because businesses are required to pay the City either its Gross Receipts liability or its Payroll Tax liability, whichever is higher. According to Ms. Van Nostern, the Superior Court has ruled against the City as to the constitutionality of the alternative Business Tax

structure and advises that this Superior Court decision is on appeal. Ms. Van Nostern states that although the City disagrees with the decision of the Superior Court, repealing the Gross Receipts Tax method and imposing only the Payroll Taxes on businesses would eliminate any future potential liability to the City based on the claim of unconstitutionality of the alternative tax scheme.

In FY 2000-2001, the Controller has placed on reserve $26.1 million in Gross Receipts Tax revenue representing the estimated annual liability for the City's current fiscal year. The Controller has also set aside additional funds to cover reimbursement for any liability which may have been incurred in prior years.

2. According to Mr. George Putris, Tax Administrator, Business Taxes owed to the City are currently determined by one of two methods: (a) 1.5 percent of payroll expenses (the Payroll Tax); and, (b) Gross Receipts (the Gross Receipts Tax), which varies from a flat $800 a year to $1.23 to $3.00 per $1,000 of Gross Receipts depending on the type of business. Businesses are required to pay the City either the Payroll Tax or the Gross Receipts Tax, whichever is higher. Such taxes are remitted to the General Fund.

3. Under the proposed ordinance, the Gross Receipts Tax method would be eliminated beginning in the 2000 tax year, effective January 1, 2000. Therefore, if this ordinance is approved, the Tax Collector's Office will contact an estimated 1,640 businesses (the estimate is based on 1999 tax year figures) who were required to pay the City on the basis of their Gross Receipts Tax liability and advise such businesses to calculate the Business Taxes due to the City by using the Payroll Tax method, so that the Tax Collector can compare the amount of the Payroll Tax due to the City to the amount already paid using the Gross Receipts Tax method. An Associate Auditor in the Tax Collector's Office would then compare the amount of the taxes due under the two methods and refund the amount of the Gross Receipts-based Taxes for the 2000 tax year which exceed the amount due to the City from the Businesses' Payroll Tax liability. Mr. Mark

Buckley of the Tax Collector's Office advises that such a procedure would result in the Tax Collector incurring estimated costs of $39,000, based on the salary and fringe benefits for a 0.5 FTE Associate Auditor.

4. The Deputy Tax Administrator, Ms. Ayisha Benham, estimates that the annual foregone revenue from eliminating the Gross Receipts method would be approximately $22.1 million (the estimate is based on 1999 tax year figures) The Controller's reserve of $26.1 million for FY 2000-2001 in Comment 1 is based upon expected growth in Gross Receipts Tax revenues since 1999. Attachment I, provided by the Tax Collector's Office, indicates how the Tax Collector estimated the $22.1 million of the tax revenue to be foregone.

5. Mr. Putris notes that eliminating the Gross Receipts method of tax payment will also require changing how the Business Tax Registration Certificate Fees are determined. Currently, the Business Tax Registration Certificate Fee can be based on either Gross Receipts or the Payroll Expense. Under the proposed ordinance, the Business Tax Registration Fee would be based on the Payroll Expense Tax liability. According to Ms. Benham, under the proposed ordinance, businesses whose Payroll Tax liability to the City would result in no taxes being paid to the City, would pay the minimum Business Tax Registration Certificate Fee of $25 and businesses which would owe a Payroll Tax liability to the City would pay either $150, $250 or $500 annually depending on the level of their tax liability. Presently all businesses whose Gross Receipts Tax liability or Payroll Tax liability is $2,500 or less, are exempt from paying Business Taxes to the City. Ms. Benham estimates the forgone Business Tax Registration Certificate Fee revenue for the General Fund, based on tax year 1999 data, would be approximately $3.9 million annually, beginning in FY 2001-2002. Attachment I, provided by the Tax Collector's Office, shows how the Tax Collector estimated the amount of $3.9 million of foregone Business Tax Registration Certificate Fees. Businesses will be informed of the changes to the Business Tax Registration Certificate

Fee calculation in the annual Registration mailing at no additional cost to the Tax Collector's Office.

6. Ms. Serena Wong from the Department of Telecommunications and Information Services (DTIS) states that in order to implement the proposed ordinance, the DTIS Business Tax Programming Team will need to: (1) modify the existing Business Tax system to handle data from the pre and post 2000 tax year (the effective date of the proposed ordinance is January 1, 2000); (2) develop and/or modify software programs to implement the 2000 tax year refund process; and, (3) provide management reports to the Tax Collector to support the refund process. Ms. Wong estimates that the DTIS will spend approximately 2,418 hours modifying and/or developing software for the Tax Collector's Office at an estimated hourly rate of $91.42 for a total cost estimate of $221,054. Attachment II, provided by DTIS, details what DTIS services will be required at an estimated cost of $221,054, to modify the existing Business Tax system software currently used by the Tax Collector in determining a Business' Tax obligation.

7. Because the Tax Collector already printed its publications on Business Tax calculations in December of 2000, Mr. Buckley advises that instituting the repeal of the Gross Receipts Tax will require revising and reprinting of the Tax Collector's publications as well as printing and mailing out refund forms to the estimated 1,640 businesses who used the Gross Receipts Tax method to pay their Business taxes to the City. Mr. Buckley estimates the printing and mailing costs would be approximately $4,500.

8. According to the Tax Collector's Office, the one-time estimated administrative costs for implementing the proposed ordinance would include: (1) Tax Collector costs of approximately $39,000 to refund the differential between Payroll Expense Taxes and Gross Receipts Taxes; (2) $221,054 in Department of Telecommunications and Information Services costs associated with changes to or new programs for the Tax Collector's Business Tax Software system; and, (3) $4,500 in costs to revise and reprint the Tax Collector's

publications as well as printing and mailing out refund forms to the estimated 1,640 businesses who used the Gross Receipts Tax method, resulting in a total estimated one-time administrative cost of $264,554.

9. According to Mr. Putris, the Treasurer-Tax Collector anticipates that a supplemental appropriation will be required to fund a portion of the estimated one-time administrative cost of $264,554 that will be incurred during the remainder of FY 2000-2001. However, as of the writing of this report, Mr. Putris is unable to estimate the precise amount that will be requested in such a supplemental appropriation.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

Attachment I

Office Of The Treasurer & Tax Collector

City and County of San Francisco
Mailing Address: P.O. Box 7426 ❖ San Francisco, CA 94120-7426
Street Address: 1 Dr. Carlton B. Goodlett Place ❖ San Francisco, CA 94102-0917

SUSAN LEAL, Treasur
Phone: (415) 554-447
GEORGE PUTRIS, Tax Administrat
Phone: (415) 554-487
AYISHA J. BENHAM, Deputy Tax Administrat
Phone (415) 554-446

Elimination of Gross Receipts Measure

Business Tax Revenue Decrease
Based on tax year 1999 data, the total amount of Gross Receipts revenues collected was $32.9 million. We anticipate that the City will receive the lesser payroll tax amount from those taxpayers above the $2500 threshold amount of calculated tax. The lesser payroll tax above the threshold amount was $10.8 million. Therefore, the foregone revenue due to elimination of gross receipt tax is $22.1 million.

Effect of Gross Receipts Elimination on Calculation of Registration Fee
Currently, the registration fee is based on the taxpayers' tax liability, which is the higher of either the gross receipts tax or the payroll expense tax. The proposed legislation will eliminate the gross receipts tax and therefore change how registration fee amounts are determined. The registration fee amount will be based on a taxpayer's payroll expense tax liability. Taxpayers with $0 in payroll expense tax will now pay the $25 minimum registration fee and the rest, based on the amount of their payroll expense tax, will pay either $150, $250 or $500 annually. Currently, only taxpayers with less than $15,000 in annual gross receipts pay the $25 minimum registration fee.

Based on tax year 1999 data, $9 million was generated in registration fee revenues from 67,300 taxpayers. The impact of this new legislation will result in 34,900 taxpayers paying a lesser amount; 2,200 will pay a greater amount (although it appears that these 2,200 either underpaid originally or paid a prorated amount the previous year as a newly started business); and 30,200 taxpayers will pay the same amount of annual registration fee. 34,400 taxpayers that previously paid a higher registration fee amount will now pay the $25 minimum registration fee. Under the new scheme, the total registration fees from the same 67,300 taxpayers will generate $5.1 million in revenue. Consequently the annual registration fee revenues will decline by $3.9 million.

AND COUNTY OF SAN FRANCISCO

Liza M. Lowery
Executive Director
Telephone: (415) 554-0801

DEPARTMENT OF TELECOMMUNICATIONS AND INFORMATION SERVICES

Rod Loucks
Chief Technology Officer
Telephone: (415) 554-0893 Fax: (415) 554-4733

Serena Wong, BTS Project Manager
Telephone: (415) 554-0862 Fax: (415) 554-0886

March 12, 2001

To: Maureen Singleton, Budget Analyst

From: Serena Wong, DTIS

Subject: Justification for Business Tax System Revised Legislation Programming

Maureen,

Currently, the Business Tax System is calculating the business taxes for taxpayers based on the higher of their gross receipts taxes or payroll taxes. In order to implement the revised legislation, the DTIS Business Tax Programming Team will need to accomplish the following objectives:

1. Existing programs need to be changed to handle tax years before 2000, according to the old Business Tax Laws (i.e. calculating taxes based on the higher of the gross receipts tax or the payroll tax), as well as post- year 2000 tax years for payroll tax only. More specifically:

   - Edit checks need to be put into programs to prevent users from data entry error for all online programs.
   - Batch programs for Business Tax processes such as prepayments, second notices, determinations, registration fees and audit pools need to be modified as a result of getting rid of gross receipts taxes.
   - Annual statements scanning programs and databases need to be modified to process tax year 2001 annual statements for payroll tax only.

2. New programs need to be developed and/or modified to implement the tax year 2000 refund process. More specifically, programs will need to be developed for:

   - Identifying eligible refund taxpayers and downloading their tax year 2000 tax data from annual statements, in order to print refund claim affidavits.
   - Calculating refund claim amounts minus outstanding obligations.
   - Adding flags in the Business Tax System database and online screens to identify taxpayers who file for refunds and amended payroll tax annual statements.
   - Modifying online screens to display the refund flags mentioned in 2c.
   - Reporting taxpayers that claimed refunds.
   - Automatically amending statements with gross receipts equal to zero for taxpayers that do not file amended returns.

3. Provide adhoc management reports to support the refund process and modify existing adhoc reports.

The time estimate for this Business Tax System modification and refund process is 2,418 hours. The cost estimate based on $91.42 per hour is $221,053.56.

Should you have further questions, please do not hesitate to contact me. Thank you.

Sincerely,

Serena Wong

cc: Erich Seamon

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

Wednesday, March 28, 2001 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 10:14 a.m.

010402 **[Pre-Tax Payroll Deduction Plan]**

Resolution allowing additional payroll deductions from salary to be pre-tax in accordance with CalPERS retirement plan requirements. (Human Resources Department)

2/23/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Edward Harrington, Controller; Alice Villagomez, Deputy Director, Employee Relations Division, Department of Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

002197 **[Parking station regulations]**

Supervisors Leno, Bierman

Ordinance adding Article 49 Sections 4901 to 4914 to the San Francisco Police Code to require parking stations to have revenue control equipment and to provide receipts to occupants, to have appropriate signage, to provide that the Department of Consumer Assurance will confirm accuracy of revenue control equipment, and to provide for criminal or civil penalties for violations.

12/18/00, ASSIGNED UNDER 30 DAY RULE to Housing and Social Policy Committee, expires on 1/17/2001.

2/1/01, TRANSFERRED to Neighborhood Services and Parks Committee. New committee structure.

3/5/01, TRANSFERRED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Susan Leal, Treasurer; Terence Hallinan, District Attorney; Laurel Pollack, Investigator, Consumer Fraud Unit, District Attorney's Office; Dave Freiders, Director, Department of Consumer Assurance; Gloria Payne, SECOM International; Jim Illig, President, Coalition of Agencies Serving Elderly; Bernie Rush; Richard Ow; Bruce Allison; Jose Morales; Vernon Cash, Pacific Parking Systems; Mary B. Fort; Dr. William E. Winn, Jr.; Rich Lipner, Meals on Wheels; Mark Gleason, President, Teamsters Local 665; Marie Jobling, Director, Planning for Elders in the Central City; Tim Leonoudakis, City Park; Theodore Lakey, Deputy City Attorney.

Supervisors Peskin and Gonzalez added as co-sponsors.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance adding Article 49 Sections 4901 to 4916 to the San Francisco Police Code to require parking stations to have revenue control equipment and to provide receipts to occupants, to have appropriate signage, to provide that the Department of Consumer Assurance will confirm accuracy of revenue control equipment, and to provide for criminal or civil penalties for violations and amending Section 6.6-1 the San Francisco Business and Tax Regulation Code to allow revocation of a certificate of authority for failure to comply with the provisions of the Police Code.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010507 **[City Holiday]**

Supervisors Sandoval, Ammiano, Maxwell

Hearing to consider declaring March 31st, Cesar Chavez's birthday, an official City holiday.

3/19/01, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the March 28, 2001 meeting.

Heard in Committee. Speakers: Supervisor Sandoval; Edward Harrington, Controller; Theodore Lakey, Deputy City Attorney; Alice Villagomez, Deputy Director, Employee Relations Division, Department of Human Resources; Erin McGrath, Mayor's Budget Manager; Walter Johnson, San Francisco Labor Council; Lawanna Preston, Service Employees International Union (SEIU); Linda Joseph, SEIU Local 535; Eva Royale, United Farm Workers; Stan Warren, San Francisco Building and Construction Council; Mr Garcia, Organizer, Local 790.

FILED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010146 **[Lease of property at 1360 Mission Street for DPH-Employee Assistance Program]**

Resolution authorizing a new lease of real property currently occupied by the City under the terms of an earlier lease at 1360 Mission Street, San Francisco, for a term of three years commencing retroactively as of July 1, 2000 at an initial monthly rent of $8,000 per month for the Employee Assistance Program of the Department of Public Health. (Real Estate Department)

1/24/01, RECEIVED AND ASSIGNED to Finance Committee.

2/14/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Judy Schutzman, Department of Public Health; Anthony Delucchi, Director of Property, Real Estate Division, Administrative Services Department; Theodore Lakey, Deputy City Attorney; Steve Alms, Real Estate Division, Administrative Services Department.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anthony Delucchi, Director of Property, Real Estate Division, Administrative Services Department.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010031 **[Reserved Funds, Emergency Communications Department]**

Hearing to consider release of reserved funds, Emergency Communications Department, in the amount of $4,500,000 (File 101-97-8, Ordinance No. 366-97), to fund the emergency response fee including debt service payments in connection with the 911 Project. (Mayor)

1/3/01, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anna Okubo, Director of Finance and Administration, Emergency Communications Department; Edward Harrington, Controller.
Release of reserved funds in the amount of $4,500,000 approved.

APPROVED AND FILED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010356 **[TRW Contract Modification No. 6 - Software and Professional Services for the Combined Emergency Communication Center]**

Resolution authorizing the E-911 Project Director to execute a modification to the contract with TRW in the amount of $536,210. (Mayor)

(Fiscal impact.)

2/21/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Dan Fraijo, Chief of Staff, Emergency Communications Department; Kelly Hayden; Edward Harrington, Controller.
Amended lines 4 and 20 by replacing "in the amount of" with "for an amount not to exceed." Further amended by adding Further Resolved clauses placing $1,500,000 in liquidated damages on reserve and requesting Department to repot back to the Board.

AMENDED.

Resolution authorizing the E-911 Project Director to execute a modification to the contract with TRW for an amount not to exceed $536,210; placing funds in the amount of $1,500,000 for liquidated damages on reserve. (Mayor)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

SPECIAL ORDER - 12:00 NOON

010274 **[Business Tax Gross Receipts]**

Supervisors Gonzalez, Peskin, Maxwell, Hall, Sandoval, Daly, McGoldrick

Ordinance amending the Business and Tax Regulations Code to (1) repeal Section 917.1 of Article 12-A and all of Article 12-B to eliminate the gross receipts method of calculating the tax on businesses; (2) enact a new Article 12 to amend business registration requirements consistent with the repeal of Article 12-B; and (3) enact a new Article 12-B to refund gross receipts-based tax payments for the 2000 tax year to the extent that such payments exceeded businesses' tax liability for such year as measured by their payroll expense.

(Fiscal impact.)

2/12/01, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 3/14/2001.

3/21/01, CONTINUED. Speakers: None. Continued to 3/28/01.

Heard on Committee. Speakers: Louise Renne, City Attorney; Theodore Lakey, Deputy City Attorney; Julie Van Nostern; Mark Norton; Joel Ventresca; Theodore Lakey, Deputy City Attorney; Edward Harrington, Controller.
Amendment of the Whole prepared in Committee, making seven minor technical changes. The modifications do not make substantive changes. (See file for details.)

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

REFERRED WITHOUT RECOMMENDATION by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

010512 **[Settlement of Obligation Bond Issuance]**

Supervisor Peskin

Resolution providing for the issuance of not to exceed $69,060,000 aggregate principal amount of City and County of San Francisco Settlement Obligation Bonds, Series 2001 (Business Tax Judgment); authorizing the execution, authentication and registration of said bonds; providing for an annual appropriation to pay the principal and interest thereof; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts relating thereto; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.

(Companion measure to File 010513.)

3/17/01, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the March 28, 2001 meeting.

Heard on Committee. Speakers: Louise Renne, City Attorney; Theodore Lakey, Deputy City Attorney; Julie Van Nostern; Mark Norton; Joel Ventresca; Theodore Lakey, Deputy City Attorney; Edward Harrington, Controller.

Amendment of the Whole making technical amendments. (See file for details.)

Supervisor Gonzalez dissenting in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Leno, Peskin

Noes: 1 - Gonzalez

010513 **[Settlement of Obligation Bond Sale]**

Supervisor Peskin

Resolution authorizing and directing the sale of not to exceed $69,060,000 City and County of San Francisco Settlement Obligation Bonds, Series 2001 (Business Tax Judgment); prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts relating thereto; approving the forms of the Official Notice of Sale and the Notice of Intention to Sell Bonds; directing the publication of the Official Notice of Sale and Notice of Intention to Sell Bonds; approving the form and execution of the Official Statement relating thereto; approving the form of the Continuing Disclosure Certificate; approving modifications to the documents approved herein; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.

3/19/01, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the March 28, 2001 meeting.

Heard on Committee. Speakers: Louise Renne, City Attorney; Theodore Lakey, Deputy City Attorney; Julie Van Nostern; Mark Norton; Joel Ventresca; Theodore Lakey, Deputy City Attorney; Edward Harrington, Controller.

Amendment of the Whole making technical amendments. (See file for details.)

Supervisor Gonzalez dissenting in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution authorizing and directing the sale of not to exceed $69,060,000 City and County of San Francisco Settlement Obligation Bonds, Series 2001 (Business Tax Judgment); prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts relating thereto; approving the forms of the Official Notice of Sale and the Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form and execution of the Official Statement relating thereto; approving the form of the Continuing Disclosure Certificate; approving modifications to the documents approved herein; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.

(Fiscal impact.)
(Supervisor Gonzalez dissenting in Committee.)

RECOMMENDED AS AMENDED by the following vote:
Ayes: 2 - Leno, Peskin
Noes: 1 - Gonzalez

010437 [Settlement of business tax lawsuits; authorization to make binding settlement offers; authorization to settle unlitigated claims]

Supervisors Peskin, Leno, Hall, McGoldrick, Maxwell, Yee

Ordinance authorizing settlement of the lawsuits filed by Eastman Kodak Company and General Motors Corporation versus the City and County of San Francisco by payment of a total amount not to exceed $129,000, plus interest; the Eastman Kodak lawsuit was filed on April 22, 1999 in San Francisco Superior Court, Case No. 302983 (Court of Appeal No. A091910), entitled Eastman Kodak Company v. City and County of San Francisco; the General Motors lawsuit was filed on February 24, 1999 in San Francisco Superior Court, Case No. 301510 (Court of Appeal A091914), entitled General Motors Corporation v. City and County of San Francisco; the other material terms of the settlements are that the settlements shall include any claims for the 2000 tax year, plaintiffs shall not file any claims for refunds otherwise due pursuant to any repeal of the gross receipts tax ordinance for the 2000 tax year, the plaintiffs shall agree to join in an application for a stipulated reversal of the trial court decisions pursuant to California Code of Civil Procedure Section 128; authorizing the City Attorney to make offers to allow judgment pursuant to California Code of Civil Procedure Section 998 in various business tax cases, for a total amount not to exceed $64,061.917; and further authorizing settlement of unlitigated claims, for a total amount not to exceed $718,871.

3/7/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

3/12/01, SUBSTITUTED. Supervisor Peskin submitted a substitute ordinance bearing new title.

3/12/01, TRANSFERRED to Finance Committee.

Heard in Committee. Speakers: Supervisor Daly; Louise Renne, City Attorney; Karen Snell, Attorney; Theodore Lakey, Deputy City Attorney; Randy Shaw, Tenderloin Housing Clinic; Kevin Danaher, Co-Founder, Global Exchange; Anamaria Loya, Executive Director, La Raza Centro Legal; Marc Norton, San Franciscans for Tax Justice; Riva Enteen, People's Budget of National Lawyers Guild; Nora Roman; Rosalyne Montgomery; Jose Morales; Michael Lyon, Emergency Coalition to Save Public Health; Jeffrey Margolis, Attorney; Rob Groshardt; Chandra Egan; Joel Ventresca; Joyce Miller, Community Activist; Robert Haaland, Housing Rights Committee; David Grace; Ruben Garcia, Local 790; Leila Salazar, Global Exchange; Supervisor Ammiano.
Amendment of the Whole making technical amendments prepared in Committee. (See file for details.)
Supervisor Gonzalez dissenting in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance authorizing settlement of the lawsuits filed by Eastman Kodak Company and General Motors Corporation versus the City and County of San Francisco by payment of a total amount not to exceed $112,889.78 plus interest; the Eastman Kodak lawsuit was filed on April 22, 1999 in San Francisco Superior Court, Case No. 302983 (Court of Appeal No. A091910), entitled Eastman Kodak Company v. City and County of San Francisco; the General Motors lawsuit was filed on February 24, 1999 in San Francisco Superior Court, Case No. 301510 (Court of Appeal A091914), entitled General Motors Corporation v. City and County of San Francisco; the other material terms of the settlements are that the settlements shall include any claims for the 2000 tax year, plaintiffs shall not file any claims for refunds otherwise due pursuant to any repeal of the gross receipts tax ordinance for the 2000 tax year, the plaintiffs shall agree to join in an application for a stipulated reversal of the trial court decisions pursuant to California Code of Civil Procedure Section 128; authorizing the City Attorney to make offers to allow judgment pursuant to California Code of Civil Procedure Section 998 in various business tax cases, for a total amount not to exceed $63,980,109.06; and further authorizing settlement of unlitigated claims, for a total amount not to exceed $380,576.16.

(Supervisor Gonzalez dissenting in Committee.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Leno, Peskin
Noes: 1 - Gonzalez

ADJOURNMENT

The meeting adjourned at 4:25 p.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 22, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: March 28, 2001 Finance Committee Meeting

Item 1– File 01-0402

Department: Department of Human Resources

Item: Resolution allowing additional payroll deductions from salary to be pre-tax in accordance with California Public Employees Retirement System (CalPERS) retirement plan requirements.

Description: The proposed resolution would allow City employees who are CalPERS participants to purchase service credit from or redeposit funds to CalPERS on a pre-tax basis.[1] Both service credit purchases and the redepositing of funds allow employees to receive pension credit for gaps in their CalPERS participation. Service credit purchases allow employees who temporarily left CalPERS to purchase pension credit for the time between their departure and return. Redeposits of funds apply to employees who previously participated in CalPERS but then left the system and withdrew their retirement funds upon leaving. These employees subsequently returned to CalPERS and now wish to redeposit the funds they

[1] "Pre-tax basis" means an employee's contribution is deducted from his or her salary before taxes are calculated, meaning the employee does not pay taxes on the contribution portion of his or her salary.

withdrew in order to receive pension credit for their prior participation. The proposed resolution would benefit the eligible employees by allowing them to defer Federal and State Income Taxes until retirement on the employee payments required to purchase the service credit or make a redeposit to CalPERS. The eligible employees may currently purchase such service credit and redeposit funds but on an after-tax basis.[2]

The Board of Administration of CalPERS approved a pre-tax payroll deduction plan at its April 1996 meeting for service credit purchases under Internal Revenue Code (IRC) section 414(h)(2).

This proposed resolution would authorize the City (a) to deduct the employee-approved contributions from the employee's pay on a pre-tax basis and remit them to CalPERS and (b) to credit individual employee accounts for the service credit purchases or redeposits made by employees to CalPERS.

According to Ms. Clare Murphy of the Employees Retirement System (ERS), service credit purchases would include such events as the period of time during which an employee was a temporary employee, was in the military, took a leave of absence, or worked for another government entity. Ms. Murphy adds that employees who were previously CalPERS members, but who withdrew their funds upon leaving the employer through which they belonged to CalPERS, would now be eligible to purchase service credit by redepositing such funds on a pre-tax basis. To be eligible such employees must have subsequently rejoined CalPERS and want to receive pension credit for the time during which they previously particpated in CalPERS.

Comments:

1. According to Ms. Alice Villagomez, the Department of Human Resources would notify the affected departments and employee groups of the change. She adds that the notification would most likely occur by mail and possibly by fax in some instances. The Attachment, provided by

[2] "After-tax basis" means that the employee's salary is taxed and then the contribution is deducted, meaning the employee pays taxes on the contribution portion of his or her salary.

the Controller's Office, lists the City employee classifications eligible for CalPERS membership.

2. According to Ms. Sandra Holmes of the Controller's Office, 1,052 current City employees are CalPERS participants. Of those, 18 are currently purchasing prior service credit or redepositing funds on an after-tax basis. Ms. Holmes says the City does not maintain data on how many of the City's CalPERS participants have prior service credit or redeposit opportunities and thus might take advantage of the opportunity to purchase prior service credit or redeposit funds on a pre-tax basis.

3. According to Ms. Pamela Levin of the Controller's Office, the proposed resolution would have a minimal fiscal impact on the City. She estimates that 1,034 employees (1,052 current CalPERS participants less the 18 who are already purchasing prior service credit or redepositing funds) would have to be notified. Assuming $0.34 postage per notification, the cost of the mailing would be $351.56. She estimates that even if there is a cost for producing the mailing, the total estimated cost would be less than $1,000. According to Ms. Villagomez, such funds would be absorbed from the existing Department of Human Resources line item for Mailing and Postage.

4. Ms. Murphy notes that the proposed resolution would not affect employ<u>er</u> contributions but rather only employ<u>ee</u> contributions to CalPERS. She further notes that the proposed resolution would provide a tax deferral but not an avoidance of taxes. The extent of the tax benefit would depend upon the employee's tax bracket. Employees would have the opportunity to make agreements with CalPERS to purchase service credit or redeposit funds. These agreements would be binding and irrevocable, as required by State law. The employees would be bound for the period for which they sign the contract. No exceptions to the binding and irrevocable status would be allowed, even for financial hardship. Ms. Murphy notes that the proposed resolution is substantially similar to a 1999 ordinance amendment that allowed employees in the City's own Employees

Retirement System to purchase service credit or redeposit funds on a pre-tax basis.

5. The proposed resolution would take effect when CalPERS accepts the resolution as approved by the Board of Supervisors.

Recommendation: Approve the proposed resolution.

ATTACHMENT

Departments With PERS-Covered Employees
As of PPE 03/15/01
Arranged by Job Class

Dept. No.	Department Name		Job Class	Job Title	ULCode		Plan Code	Coverage
11	Trial Courts	CRT	0648	Court Investigator, Superior Court	193	Courts - Miscellaneous	27	70004
33	Human Resources	HRD	1220	Payroll Clerk	790	SEIU	20	70001
82	Public Health Services	HPH	1430	Transcriber Typist	790	SEIU	27	70004
03	City Attorney	CAT	1460	Legal Secretary II	790	SEIU - Service EEs Int'l. Union	20	70001
26	Adult & Aging Services	AAG	2246	Assistant Director of Clinical Services I	351	MEA	27	70004
26		AAG	2588	Health Worker IV	790	SEIU	29	70104
26		AAG	2930	Psychiatric Social Worker	790	SEIU	27	70004
26		AAG	2932	Sr. Psychiatric Social Worker	790	SEIU	27	70004
26		AAG	2933	Conservatorship/Case Mgt. Superv.	790	SEIU	27	70004
26		AAG	4230	Estate Investigator	21	P/TE	27	70004
47	Water (P.U.C.)	WTR	5208	Civil Engineer	21	P/TE	20	70001
39	Port Commission	PRT	6318	Construction Inspector	21	P/TE -Professional/Technical Engr.	20	70001
39		PRT	6334	Chief Building Inspector	929	SF Building Inspectors	20	70001
04	District Attorney	DAT	8146	DA Investigator	419	SFDAIA -SFDA Investigators Assoc.	23	77001
04		DAT	8147	Sr. DA Investigator	419	SFDAIA	23	77001
04		DAT	8148	Chief DA Investigator	351	MEA - Municipal Executives Assoc.	23	77001
04		DAT	8149	Asst. Chief DA Investigator	419	SFDAIA	23	77001
04		DAT	8150	Principal DA Investigator	351	MEA	23	77001
04		DAT	8204	Institutional Police Officer	790	SEIU	26	75101
14	Community College		8204	Institutional Police Officer	790	SEIU	26	75101
81	Community Health Network	HCH	8204	Institutional Police Officer	790	SEIU	26	75101
82	Public Health Services	HPH	8204	Institutional Police Officer	790	SEIU	26	75101
14	Community College		8205	Institutional Police Sergeant	969	SF Institutional Police Officers Assoc.	26	75101
41	Public Library	LIB	8205	Institutional Police Sergeant	969	SFIPOA	26	75101
46	War Memorial	WAR	8205	Institutional Police Sergeant	969	SFIPOA	26	75101
61	Fine Arts Museums	FAM	8205	Institutional Police Sergeant	969	SFIPOA	28	75101
81	Community Health Network	HCH	8205	Institutional Police Sergeant	969	SFIPOA	26	75101
14	Community College		8206	Institutional Police Captain	969	SFIPOA	26	75101
81	Community Health Network	HCH	8208	Institutional Police Captain	969	SFIPOA	28	75101
46	War Memorial	WAR	8209	Institutional Police Lieutenant	969	SFIPOA	26	75101
61	Fine Arts Museums	FAM	8209	Institutional Police Lieutenant	969	SFIPOA	26	75101

81	Community Health Network	HCH	8209	Institutional Police Lieutenant	969	SFIPOA	28	75101
38	Police	POL	8222	Housing Authority Police Officer	001	Unrepresented Employees	28	75101
06	Sheriff	SHF	8304	Deputy Sheriff	498	DSA -Deputy Sheriff Assoc.	18	77001
06		SHF	8306	Sr. Deputy Sheriff	498	DSA	19	77001
06		SHF	8308	Sheriff's Sergeant	498	DSA	19	77001
06		SHF	8310	Sheriff's Lieutenant	498	DSA	19	77001
06		SHF	8312	Sheriff's Captain	498	DSA	19	77001
06		SHF	8314	Chief Deputy Sheriff	498	DSA	19	77001
06		SHF	8315	Asst. Sheriff	351	MEA	19	77001
12	Juvenile Court	JUV	8316	Asst. Counselor	790	SEIU	18	77101
12		JUV	8318	Counselor II	790	SEIU	18	77101
12		JUV	8320	Counselor, Juvenile Hall	790	SEIU	18	77101
12		JUV	8321	Counselor, Boys Ranch School	790	SEIU	18	77101
12		JUV	8322	Sr. Counselor, Juvenile Hall	856	Teamster - Health Wrks	18	77101
12		JUV	8323	Sr. Counselor, Boys Ranch School	856	Teamster - Health Wrks	18	77101
12		JUV	8324	Supervising, Counselor, Juvenile Court	856	Teamster - Health Wrks	18	77101
12		JUV	8330	Director, Log Cabin Ranch	351	MEA	18	77101
06	Sheriff	SHF	8348	Undersheriff	351	MEA	19	77001
06		SHF	8350	Sheriff	556	Elected Officials	18	77001
12	Juvenile Court	JUV	8414	Superv. Probation Officer, Juv. Crt	965	Supervising Probation Officers	18	77101
12		JUV	8416	Director, Probation Services	351	MEA	18	77101
12		JUV	8418	Chief Probation Officer, Juv. Crt	351	MEA	18	77101
13	Adult Probation	ADP	8434	Superv. Adult Probation Officer	965	Supervising Probation Officers	18	77101
13		ADP	8435	Div. Director, Adult Probation	351	MEA	18	77101
13		ADP	8436	Chief Adult Probation Officer	351	MEA	18	77101
12	Juvenile Court	JUV	8444	Probation Officers	651	SFPOA -SF Probation Officers Assoc.	18	77101
13	Adult Probation	ADP	8444	Probation Officers	651	SFPOA	18	77101
06	Sheriff	SHF	8470	Exec. Dir., County Parole Commission	351	MEA	19	77001
27	Airport Commission	AIR	9230	Airport Custodial Services Supervisor	790	SEIU	21	70002
38	Police	POL	9350	Harbor Police Officer	911	SF Police Officers Assoc.	22	75001

Item 2 – File 00-2197

Note: An Amendment of the Whole will be introduced at the March 28, 2001 Finance Committee Meeting, however, as of the writing of this report, the Budget Analyst has not received the Amendment of the Whole, and as such this report is based on the version introduced on December 18, 2000.

Department: Department of Consumer Assurance (DCA)
District Attorney's Office

Item: Ordinance adding Article 49, Sections 4901-4914, to the San Francisco Police Code to require parking stations [1] to have revenue control equipment and to provide receipts to occupants, to have appropriate signage, to provide that the Department of Consumer Assurance will confirm the accuracy of revenue control equipment, and to provide for criminal or civil penalties for violations.

Description: According to Ms. Margaret Baumgartner of the City Attorney's Office, the proposed ordinance would add new Sections 4901 through 4914 to the San Francisco Police Code which would:

- Define terms relevant to parking lots.
- Require all parking lots to have revenue control equipment (see Comment 1 for exemptions) that provides a receipt to consumers and is capable of producing particular types of audit reports within 90 days of the enactment of the proposed ordinance.
- Require the Department of Consumer Assurance (DCA) to inspect the revenue control equipment to ensure that it is functioning accurately.
- Require all parking lot operators to notify the DCA when the revenue control equipment is not functioning at all, within 24 hours of the time the equipment stops functioning.
- Require all parking lot operators to post a sign that clearly states to contact the District Attorney's

[1] San Francisco Business and Tax Regulations Code Article 9 states that parking stations include but are not limited to (1) Any outdoor space or uncovered plot, place, lot, parcel, yard or enclosure, or any portion thereof, where motor vehicles may be parked, stored, housed or kept, for which any charge is made; (2) Any building or structure, or any portion thereof in which motor vehicles may be parked, stored, housed or kept, for which any charge is made.

Consumer Protection Unit if the equipment is not operating or if the customer does not receive a receipt.

- Require all parking lot operators to retain parking vouchers (receipts) issued and returned by a customer for a period of five years and such vouchers must be presented to any City auditor immediately upon request.
- Make violations of the proposed ordinance a misdemeanor.
- Permit consumers to bring civil action against parking lot operators for failure to provide a receipt.

Ms. Baumgartner advises that the purpose of the proposed ordinance is to ensure that the City obtain the Parking Tax Revenue to which it is entitled under the City's Business and Tax code from persons operating parking lots in the City and to protect consumers by requiring the provision of a receipt.

Comments:

Section 4902. Exemptions

1. The proposed ordinance would apply to all parking lots except where (1) no rent is charged at any time; (2) all rent is paid by the deposit in a parking meter owned and operated by the City and County; (3) all rent is paid for by a resident or guest of a hotel or motel by adding rent (parking fees) to the room bill of the registered guest; (4) occupants pay (parking fees) rent only for special events and on 75 or fewer days during a calendar year; and, (5) the operator is a governmental agency.

According to the Deputy Tax Administrator, Ms. Ayisha Benham, there are 614 parking lots currently registered with the Tax Collector. However, as of the writing of this report, Ms. Benham is unable to determine how many of the 614 parking lots would be exempt from the proposed ordinance. Currently, the Parking Tax rate is 25 percent of all parking fees. This tax rate is comprised of a 15 percent base rate and a ten percent surcharge. Section 615 of Article 9 (Tax on Occupancy of Parking Space in Parking Stations) of Part III of the San Francisco Business and Tax Regulations Code states that the Parking Tax monies collected from the 15 percent base Parking Tax rate are to be used for the following

purposes: (a) the administration of Article 9 not to exceed 4 percent of the total amount collected, (b) refunds of overpayments of the tax imposed, (c) 66 2/3 percent of the balance of the monies collected is allocated to the Municipal Transportation Agency (MUNI), and, (d) 33 1/3 percent of the balance of the monies collected is used exclusively for senior citizens' programs. All the Parking Tax proceeds from the 10 percent Parking Tax Surcharges are dedicated to the General Fund.

As shown in the FY 2000-2001 Annual Appropriation Ordinance previously approved by the Board of Supervisors, budgeted Parking Tax revenues total $51,442,000, including $10,288,000 allocated for senior citizen programs, $20,577,000 allocated to MUNI and $20,577,000 allotted to the General Fund.

<u>Section 4903. Revenue Control Equipment:</u>

2. Section 4903 requires that the revenue control equipment remain in operation during the parking lot's business hours. The proposed ordinance also requires that the equipment provide legible receipts to customers, which includes (1) information on the time and date of the transaction; (2) amount paid; (3) parking facility address; (4) City business license number; (5) vehicle license number or stall number; (6) non-resettable unique transaction number, and, (7) the business telephone and address of the person responsible for addressing consumer complaints. Ms. Laurel Pallock from the District Attorney's Office (DA) states that the proposed ordinance does not specify which model type or manufacturer of the revenue control equipment that parking lot operators must install.

Section 4903 permits parking lot operators to continue to operate their business when revenue control equipment is not functioning provided that the operator (1) maintains manual revenue control procedures; (2) does not tow vehicles during that time period, and (3) the operator makes a good faith effort to have a State-licensed repair person repair the equipment as soon as possible.

Section 4904. Department of Consumer Assurance:

3. Section 4904 of the proposed ordinance requires the DCA to ensure that all parking revenue control equipment devices are functioning accurately. According to Mr. Sid Baker at the DCA, the DCA would inspect the revenue control equipment at each parking lot annually for accuracy, which would include ensuring that the machine's time clock is correct, the receipts are legible and printed with the required information and that the charges are correct. Mr. Baker further states that once the equipment has been measured for accuracy, a DCA inspector would place either a State or County seal on the equipment, depending on the type of equipment utilized. Under the proposed ordinance, the DCA would charge the parking lot operators an annual equipment registration fee to help partially offset the costs of inspecting the equipment, plus an estimated hourly rate of approximately $77 per hour, if the inspection takes longer than one hour to conduct. Mr. Baker states that the equipment registration fee schedule is stipulated in the California Business and Professions Code, Section 12240. Section 12240 fee charges are as follows:

Number of Parking Revenue Control Equipment Devices per Location	Annual Charge per Location
1 to 3	$ 40
4 to 9	80
10 to 19	120
20 to 25	160
Over 25	200

Ms. Pallock advises that at a minimum, there would be one device located at each parking lot to generate the required information under the proposed ordinance. If, for example, there are at least 1 to 3 parking revenue control devices at each of the approximately 614 registered parking lots, then the annual registration fee would generate approximately $24,560 per year ($40 x 614 registered parking lots).

Mr. Baker states that the time required by DCA to test the revenue control equipment for accuracy of time

measurement and parking fee computations depends on the type of equipment in use. Mr. Baker also advises that testing the accuracy of the equipment's time measurement and parking fee computations would require tests to extend through two to three time periods on the same inspection day to obtain enough information to determine the equipment's accuracy. Mr. Baker states that until the DCA conducts its first round of equipment inspections he is unable to fairly estimate how much time would be required to inspect the parking revenue control equipment.

According to Mr. Dave Frieders, Director of the DCA, the DCA would need to re-inspect parking revenue control equipment when DCA has been informed that the equipment is not functioning, in order to verify the accuracy of the equipment. According to Mr. Baker, the DCA would charge the parking lot operator approximately $77 per hour to inspect the equipment, which would offset the costs of such inspections.

Mr. Baker advises that the DCA does not currently have sufficient enough inspectors to conduct the additional inspections that would be required under the proposed ordinance. Presently, the DCA has 2 6220 Weights and Measures Inspectors, 3 6218 Agriculture/Weights and Measures Trainees, and 1 6218 Agriculture/Weights and Measures Trainee on work-order for the Department of Health, all of which work on seven Weights and Measure programs. In addition to these six existing positions, Mr. Baker advises that the DCA would need to hire, at a minimum, six additional positions including five new 6220 Weights and Measures Inspectors to conduct the inspections and one 1630 Account Clerk to support the Weights and Measure Inspectors at an estimated annual salary and fringe benefit cost of approximately $446,000. According to Mr. Frieders, such costs would be partially offset by the revenue generated from the equipment registration fees and the hourly inspection fees. Mr. Frieders states that if the proposed ordinance is approved, the DCA would request these six additional positions in DCA's FY 2001-2002 budget. As of the writing of this report, none of these positions have been included in the DCA's FY 2001-2002 budget request.

Additionally, the DCA estimates that there will be one-time start up costs of approximately $165,000 for equipment and vehicles DCA anticipates it will need to conduct the inspections. Attachment I, provided by the DCA cites the additional estimated costs which DCA believes it will need to implement this ordinance.

Section 4909. Criminal Penalties:

4. Section 4909 states that it shall be a misdemeanor to violate any of the provisions in the proposed ordinance and that if the DA has evidence that a person tampered with the required revenue control equipment in order to defraud the City, the DA may charge that person with the appropriate violations of State law. According to Ms. Pallock, the DA's Office currently has sufficient budget resources to prosecute any additional misdemeanors, based on her estimate that there would be few violations as a result of the proposed ordinance.

Section 4910. Civil Penalties:

5. Section 4910 states that any parking lot occupant may bring action against any parking lot operator that fails to provide a receipt, as required under the proposed ordinance. Additionally, Section 4910 permits the City and County of San Francisco to initiate civil action against a person to compel compliance or to enjoin violations of the proposed ordinance. If the City prevails in such action, it may recover court costs, reasonable attorney's fees and a civil penalty of up to $2,500 per violation.

6. According to the Tax Administrator Mr. George Putris, the proposed ordinance may enhance the Tax Collector's ability to audit parking lots because the audit reports required under the proposed ordinance would be an additional tool to determine the amount of Parking Taxes that should have been paid to the City. Mr. Mark Buckley from the Tax Collector's Business Tax Division notes that it is difficult to estimate the amount of any additional Parking Tax revenues that the proposed ordinance would generate.

7. The proposed ordinance would become effective 90 days after the final adoption by the Board of Supervisors.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Attachment I
Page 1 of 2

DEPARTMENT OF CONSUMER ASSURANCE
REGULATORY COMPLIANCE AND AGRICULTURAL STANDARDS
CASF
SAN FRANCISCO COUNTY

DAVID C. FRIEDERS
DIRECTOR
SID BAKER
ASSISTANT DIRECTOR

MEMORANDUM

03/22/01

To: Maureen Singleton
Budget Analyst

From: David C. Frieders
Director

Subject: Parking Revenue Control Ordinance Costs

The parameters of the ordinance have expanded and will require increased personnel because of the number of inspections required to inspect parking revenue collection stations on a continuous monthly/annual program. Based upon the recommendation of the District Attorney's Office and the Parking Authority, the Department requests five (5) 6220 Inspector of Weights and Measures and one (1) 1630 Account Clerk.

The preliminary annual expenditure increase to our budget is $446,000 per year, to be recouped from revenue loss recovery by the new system. In addition, a one-time start up cost of $165,000 is anticipated for equipment and vehicles. The funding for this program should be designated to come from general fund support. The device registration fee of $40 should be retained.

If you need additional information, please call me at 285-5010.

File: PrkingRevContr05a.doc

AGRICULTURAL STANDARDS DIVISION
501 CESAR CHAVEZ, SUITE 109A
SAN FRANCISCO, CA 94124
PHONE: (415) 824-6100
FAX: (415) 285-8776

ALEMANY MARKETS DIVISION
100 ALEMANY BOULEVARD
SAN FRANCISCO, CA 94110
PHONE: (415) 647-9423
FAX: (415) 643-9514

REGULATORY COMPLIANCE WEIGHTS AND MEASURES DIVISION
501 CESAR CHAVEZ, SUITE 109A
SAN FRANCISCO, CA 94124
PHONE: (415) 824-6100
FAX: (415) 285-8776

Start up Costs: - $165,000

5 Vehicles – ($20,700 x 5) = $103,500
5 Laptop Computers w/printer ($1,000 x 5) = $5,000
1 PC with software $1,300
5 Cubicles & chairs ($3,000 x 6) = $18,000
Cabling - $2,000
ISD/Program - $12,000
Forms/Vouchers - $1,500
Cell Phone/Pagers ($100 x 5) = $500
Miscellaneous supplies - $250

Item 3 - File 01-0507

Item: This is a hearing to consider declaring March 31st, the birthday of Cesar Chavez an official City holiday.

Description: The fiscal impact of adding one additional official City holiday would result from increased expenditure requirements resulting from certain City employees, who staff functions including public safety (Fire and Police), Public Health (i.e. San Francisco General Hospital and Laguna Honda Hospital) Emergency Communications, Department of Public Works (DPW) and the Municipal Railway (MUNI). Such departments operate on a 24 hour per day and/or seven day per week basis and certain of their employees must be paid Holiday Pay, at overtime rates, when they work on an official City holiday.

The attachment to this report is an analysis of estimated increased salary and fringe benefit costs prepared by the Controller's Office. The Controller's analysis results in an estimate of total increased annual City-wide out-of-pocket expenditures of $4,344,718 at current rates of pay. Of this total, the estimated increased annual cost to the General Fund is $3,000,276.

The Controller's estimate employs the following assumptions:

- The estimate is based on the total salary budget for departments with primarily 24 hour per day and seven day per week operations. An estimated 15,953 full time equivalent positions were included in the Controller analysis. Not all staff in these departments are required to work on a holiday, but some staff of other operations (e.g. Water, Airport) would be required to work on a holiday but these latter two departments were not included in the Controller's analysis. The Controller believes that overall these factors would offset one another.
- The cost of one holiday may vary depending on which day of the week that the holiday is observed. For example, Muni service levels are different on New Year's Day and Veteran's Day when more businesses are open.
- Salary amounts are based on FY 2001-2002 base budget amounts and exclude premiums, overtime, and holiday pay.

- Only Fringe benefits that are based on wages (retirement, social security, unemployment) would be added to the cost. Health benefits are not included. The fringe benefit rates used are based on the FY 2001-2002 base budget amount.

Comment: The Controller's estimate does not consider the fiscal impact pertaining to the cost of lost productivity for personnel who are not required to staff functions on a 24 hour per day and/or seven day per week basis, but who would receive one additional holiday. In addition to the 15,953 full time equivalent positions used by the Controller in 24-hour day seven days per week operations, the City has an additional 12,707 full time equivalent positions (FTEs) for a total of 28,660 FTEs.

The estimated annual cost of lost productivity for the additional 12,707 positions, as a result of adding one additional holiday, is $2,023,506 (the average pay per day at straight time rates for these positions) including $916,400 to the General Fund based on known 2001-2002 rates of pay and fringe benefits.

When including all 28,660 City positions, the Budget Analyst estimates the total fiscal impact of adding one additional holiday would cost the City $6,368,224 annually including $4,344,718 for those personnel who would be required to work on a holiday at overtime rates and $2,023,506 from lost productivity for those personnel who receive one additional holiday. Of this total amount of $6,368,224, $3,916,676 annually would represent the cost to the General Fund including $3,000,276 for those personnel who would be required to work on a holiday at overtime rates and $916,400 from lost productivity.

Estimated Impact of One Holiday

Department	Title	General Fund Supported Subfunds	AllFunds
DPT	Muni	-	216,706,108
DPW	DPW (Street & Sewer Repair only)	1,774,460	6,981,896
ECD	Emergency Communications	8,989,769	9,662,458
FIR	Fire	116,959,349	125,888,121
HCN	Community Health Network	264,632,270	269,460,163
HPH	Public Health	61,939,760	80,010,525
POL	Police	152,392,003	177,210,119
SHF	Sheriff	41,643,113	47,835,626
Total Salaries		648,330,724	933,755,016
	Estimated OT to fill behind one day	2,664,373	3,837,349
	Fringes	335,903	507,369
	Total	3,000,276	4,344,718

Notes:
(1) This high level estimate assumes that shifts regularly scheduled at straight time will have to be paid at time and one half to fill behind the regularly scheduled employees who are observing the new holiday.
(2) This estimate is based on the total salary budget for departments with primarily 24 hour/7 day operations. Not all staff in these departments is required to work on a holiday, but some staff of other operations (e.g. Water, Airport) would be required. We have assumed that these would roughly offset each other.
(3) The cost of one holiday may vary depending on the service level being provided. For example, Muni service levels are different on New Year's Day and than it is on Veterans Day when more businesses are open.
(4) This estimate does not consider the cost of lost productivity for non-essential personnel.
(5) Salary amounts are the FY 2002 base budget amounts and exclude premiums, overtime, and holiday pay.
(6) Fringe benefits are those based on wages (retirement, social security, unemployment). The rate used is based on the FY 2002 base budget amount.

Source: Controller's Office; 3/22/01

Item 4 - File 01-0146

Note This item was continued by the Finance Committee at its meeting of February 14, 2001.

Department: Department of Public Health (DPH)
Department of Administrative Services, Real Estate Division (RED)

Item: Resolution authorizing a new lease of space currently occupied by the City on a month-to-month basis under the provisions of a prior lease at 1360 Mission Street for a term of three years commencing retroactively to July 1, 2000 at an initial monthly rent of $8,000 per month for the Employee Assistance Program of the Department of Public Health

Location: 1360 Mission Street, fourth floor

Purpose of Lease: To provide space for the Department of Public Health's Employee Assistance Program, which has been located in the same space at 1360 Mission Street since 1990. The Employee Assistance Program is currently on a month-to-month lease as set forth in a holdover provision in the prior lease. The Employee Assistance Program provides counseling to City employees on personal issues affecting their ability to work.

Lessor: VILO Properties, Inc.

Lessee: City and County of San Francisco

No. of Sq. Ft. and Cost Per Month: 2,911 square feet at approximately $2.75 per square foot per month. The rent would be subject to an annual increase of five percent each year over the three-year term of the lease.

Cost: $8,000 monthly, or $96,000 annually

Increase in Cost: Under the prior lease, which expired July 1, 2000, the City paid a monthly rent of $3,847, or $46,164 annually. That lease agreement contained a provision stating that rent during a month-to-month holdover period would be charged at 150 percent of the previous rent. Thus, the rent increased as of June 30, 2000 from approximately $3,847 per month, or $1.32 per square foot per month to $5,770 per month or $1.98 per square foot per month, or 150 percent of the prior rental rate. The City has been paying this increased rental rate of $5,770 per month since July 1, 2000. Under the proposed lease, the rent would increase by an additional $2,230 per

month or $0.77 per square foot, or by 38.6 percent, from the previous holdover rent of $5,770 per month, or $1.98 per square foot, to $8,000 per month, or $2.75 per square foot. The prior 10 year and three month lease began on April 1, 1990 and ended June 30, 2000.

Term of Lease: July 1, 2000 through June 30, 2003 (three years).

Utilities and Services: Landlord to pay for all utilities and services, including janitorial and maintenance services.

Right of Renewal: Two three-year options to renew after the expiration of the initial term of the three-year lease, with the rent to be set at 95% of the market rate[1].

Source of Funds: DPH's FY 2000-2001 budget, as previously approved by the Board of Supervisors.

Description: According to Ms. Judy Schutzman of DPH, the proposed leased premises would continue to be occupied by a total of six staff members of the DPH Employee Assistance Program. These six staff members provide free individual and group counseling to employees of the City and County of San Francisco for personal issues that effect their ability to work. Counseling includes topics such as communication and conflict resolution, anger management, stress management, separation and divorce, balancing work and family issues, and dealing with difficult people.

Comments: 1. According to Ms. Schutzman, approximately 30 percent or 873 of the 2,911 square foot office at 1360 Mission Street is made up of individual and group counseling areas used to service clients of the Employee Assistance Program. Additionally, the Employee Assistance Program currently employs one full time consultant, and typically has between one and four interns working at 1360 Mission space at any given time. The balance of approximately 70 percent or 2,038

[1] The prevailing market rate would be determined pursuant to a provision in the subject proposed lease that would require that (1) the landlord propose a rate as the prevailing market rate, (2) the City make a counter-proposal if the proposed rate is not agreeable, (3) if no agreement is reached, both parties meet no less than twice to attempt to resolve any disagreement, and (4) if disagreements are not resolved, both parties participate in a process to select a neutral appraiser, whose appraisal would then be considered the prevailing market rate.

square feet of space is typically occupied by eight to 11 employees, providing an average of approximately 185 to 255 square feet per employee.

2. Mr. Alms advises that since the proposed rental rate of $2.75 per square foot was negotiated in October of 2000, the commercial real estate market has softened somewhat. However Mr. Alms advises that the proposed rental rate of $2.75 is still considered equal to or below current fair market value which Mr. Alms estimates to be approximately $3.00 per square foot per month. Mr. Alms notes that the second floor (the Employee Assistance Program is located on the fourth floor) in the subject building at 1360 Mission Street rented at a rate of approximately $3.50 per square foot per month as recently as November 15, 2000. According to Mr. Alms, the base rent of the second floor space is $3.00 per square foot per month. However, the tenants are required to pay utilities, janitorial services and maintenance services under that lease, which brings the cost of occupying the space on the second floor to approximately $3.50 per square foot per month, according to Mr. Alms, or $0.75 more than the proposed lease rental rate of $2.75.

3. The lease period is retroactive to July 1, 2000, because the landlord, VILO Properties made the retroactive commencement date of July 1, 2000 a condition of entering into the lease agreement. Mr. Alms notes that negotiations over the proposed new lease commenced well before the end of the original lease on June 30, 2000. However a final agreement with the landlord was only reached in January of 2001.

4. Under the proposed lease, the City would be required to pay the lessor the difference between the current monthly rent of $5,770 and the proposed monthly rent of $8,000, an increase of 38.6 percent or $2,230, retroactive to July 1, 2000. If the proposed lease were approved by the Board of Supervisors and the Mayor on or about April 15, 2001, the City would be required to pay VILO Properties a total retroactive payment of approximately $21,185 ($2,230 multiplied by nine and one-half months).

5. The proposed lease includes a provision allowing the landlord to terminate the lease at any time after September

30, 2002 by providing the City with nine months notice. However, according to Mr. Alms, the landlord has orally stated to RED that early termination under the terms of this provision would be unlikely.

6. The Attachment to this report is a memorandum by Mr. Anthony DeLucchi, Director of Property, in response to the concerns expressed by the Finance Committee regarding the proposed retroactive payment to the landlord (see Comment No. 4). Mr. DeLucchi states in his attached memorandum pertaining to discussions by his staff with the landlord, Mr. Victor Honig, "We requested that Mr. Honig waive the retroactive rent. . . Mr. Honig has respectfully declined,. . ." Mr. DeLucchi further states that "Mr. Honig indicates that he acted in good faith in reaching an agreement regarding a new, extended lease of the premises. In agreeing to a below-market rental rate, and consenting to a holdover rate that is even farther below market, he relied on the long-term relationship of trust established with the City over the 10 years that the City has occupied 1360 Mission and other properties owned by VILO Properties. Mr. Honig indicates that, based on his long-term relationship with the City, he felt no extraordinary sense of urgency to complete the transaction. Further, Mr. Honig stated that he has a long history of supporting the City's need to provide low and very-low income housing. He has done so by making land available to Mercy Housing Corp. on terms that make such developments economically feasible. Mr. Honig indicates that VILO Properties has cooperated with Mercy Housing in connection with four San Francisco projects."

7. As shown on the second page of his attached memorandum, Mr. DeLucchi reports that, with respect to the Consumer Price Index (CPI), "The CPI has increased since December of 1998 by between 4.84% and 5.03%, depending on the index." As previously noted, the proposed rental rate would be subject to an annual increase of five percent each year over the three-year term of the subject lease.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors since, without first obtaining Board of Supervisors approval: (a) DPH and the Real Estate Division are requesting approval of the proposed lease retroactive to July 1, 2000 and (b) such retroactivity results in the City being required to pay an increase of 38.6 increase in rent retroactive to July 1, 2000, resulting in a total estimated retroactive payment of $21,185 from July 1, 2000 through April 15, 2001.

City and County of San Francisco

Real Estate Divisi
Administrative Services Departm

MEMORANDUM

March 12, 2001

TO: Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez

FROM: Anthony J. DeLucchi
Director of Property

SUBJECT: 1360 Mission Street Lease
Employee Assistance Program
File No. 01-0146

The Finance Committee is holding the above referenced matter at the Call of the Chair. As requested b Committee, we have contacted the landlord, Mr. Victor Honig, President of VILO Properties, to modification to the terms of the proposed agreement. We requested that Mr. Honig waive the retroa rent in the sum of $17,840 (for the period July 2000 – February 2001. Mr. Honig has respectfully decl and requests that the Committee consider the following:

Mr. Honig indicates that he acted in good faith in reaching an agreement regarding a new, extended lea the premises. In agreeing to a below-market rental rate, and consenting to a holdover rate that is farther below market, he relied on the long-term relationship of trust established with the City over t years that the City has occupied 1360 Mission and other properties owned by VILO Properties. Mr. H indicates that, based on his long-term relationship with the City, he felt no extraordinary sense of urgen complete the transaction.

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(415) 554-9850
FAX: (415) 552-9216

25 Van Ness Avenue, Suite 400

SA:H:\53\5346\010310 finan.
Office of the Director of Prop
San Francisco, CA 94

In addition, Mr. Honig informs us that, subsequent to delivery of the signed copy of the proposed lease, VILO Properties has entered a master lease agreement for the subject building. This most recent transaction with Mercy Housing includes land slated for development of low and very-low income housing, and improved commercial property that Mercy will make available to San Francisco non-profits.

Mr. Honig requests that the Finance Committee consider his efforts to support the housing and non-profit policies of the City, as well as the below market rate that he has accepted for the premises.

In connection with the proposed lease, Supervisor Gonzalez requested a comparison of recent changes in the Consumer Price Index with the proposed 5% per year fixed increase set forth in the proposed lease. The attached summary shows the changes in three different indexes that are commonly used in San Francisco real estate transactions. The CPI has increased since December of 1998 by between 4.84% and 5.03%, depending on the index. The recent trend in the rate of increase has been upward.

If there is additional information that the Committee would like to receive before hearing the matter again, please contact me at 554-9875, or call Steve Alms of this office at 554-9865.

cc: H. Rose
M. Katz
M. Zmuda
J. Schutzman

(415) 554-9850
FAX: (415) 552-9216
25 Van Ness Avenue, Suite 400
Office of the Director of Property
San Francisco, CA 94102

COMPARISON
CONSUMER PRICE INDEX
SOURCE: BUREAU OF LABOR STATISTICS

San Francisco, All Urban Consumers (Base Period: 1982-84 = 100)

	Index	% Change
December-98	167.4	
December-99	174.5	4.24%
December-00	184.1	5.50%

Average CPI Increase (12/98 - 12/00) 4.99%

San Francisco, All Urban Consumers (Base Period: 1967 = 100)

	Index	% Change
December-98	514.0	
December-99	538.5	4.77%
December-00	563.8	4.70%

Average CPI Increase (12/98 - 12/00) 4.84%

San Francisco, Urban Wage Earners & Clerical Workers (Base Period: 1967 = 100)

	Index	% Change
December-98	498.6	
December-99	520.3	4.35%
December-00	548.8	5.48%

Average CPI Increase (12/98 - 12/00) 5.03%

Finance Committee
File No. 01-0148

TOTAL P.03

Item 5 – File 01-0031

Department: Emergency Communications Department (ECD)

Item: Hearing to consider the release of reserved funds in the amount of $4,500,000 for the Emergency Communications Department.

Amount: $4,500,000

Description: In 1997, the Board of Supervisors appropriated and placed on reserve the subject $4,500,000 of E-911 (Enhanced-911) Project Funds, pending approval of legislation to increase the Emergency Response Fee, discussed further below under "Source of Funds."

The Emergency Response Fee was originally established in 1993 to fund a portion of the E-911 Project costs. (Attachment I, provided by the Emergency Communications Department (ECD), contains a description of the E-911 Project). The purpose of the E-911 Project was to improve the City's emergency response capabilities by integrating the separate emergency response systems previously employed by three City Departments: the Fire Department, the Police Department and Medical Emergency Services, which was transferred in July of 1997 from the Department of Public Health to the Fire Department. In December of 1998, the City completed construction of a centrally located Combined Emergency Communications Center (CECC), located at 1011 Turk Street, to serve as a 911 communications and dispatch center for Police, Fire, and Emergency Medical Services (EMS) and an emergency command center. According to Ms. Anne Okubo of the ECD, the CECC first opened in December in 1998 and was occupied by ECD, after which EMS and the Fire Department joined the center in April of 2000 and the Police Department joined the center in November of 2000. In general, the work still remaining includes completion of the Police Automated Information System (AIS), as discussed in this File 01-0356 of this report to the Finance Committee, completion of the Metropolitan Area Network (MAN) and final testing of the 800 MHz radio system, as described in Attachment I.

Ms. Okubo advises that the E-911 project is expected to be completed by June 30, 2001. According to Ms. Okubo, total costs of the E-911 Project are estimated to be $166,370,000. The latest total cost estimate of $166,370,000 was made in 1997, according to Ms. Okubo, and was $34,419,000 more than the original estimate of $131,951,000 made in 1996. Attachment II, provided by ECD, explains why the budget for the E-911 project increased by $34,419,000, from $131,951,000 to $166,370,000. According to Ms. Okubo, ECD does not expect project costs to exceed $166,370,000, even though this estimate was made in 1997, as stated in Attachment II.

Attachment III, also provided by ECD, contains a summary budget and the funding sources for the E-911 Project. The $166,370,000 E-911 Project has been funded with $27,705,835 from Emergency Response Fees, $36,653,165 from the General Fund, $4,581,000 from Federal and State grants, and $97,430,000 in Lease Revenue Bond funds, as detailed in Attachment IV provided by ECD. The interest rates on these Lease Revenue Bonds range from 4.07 percent to 5.49 percent, according to Ms. Okubo.

Attachment V contains ECD's Bond Debt Service Schedule for bond proceeds used to fund the E-911 Project. As shown in Attachment V, the ECD is scheduled to make debt service payments through Fiscal Year 2023-2024, totaling $142,914,664 over the 27-year period (Fiscal Year 1997-1998 through Fiscal Year 2023-2024). The subject request to release $4,500,000 would be used to fund a portion of the total debt service payments of $142,914,664.

Ms. Okubo advises that such debt service payments of $142,914,664 include $95,845,000 in principal payments and $47,069,664 in interest payments. Therefore, when such $47,069,664 in interest payments are added to the $166,370,000 estimated cost of the E-911 Project, the total estimated cost of the E-911 Project would be $213,439,664.

Ms. Okubo advises that ECD plans to fund approximately $72,294,165 of this $142,914,664 debt service with revenues from the Emergency Response Fee, including the subject $4,500,000, until such funds are fully expended, approximately in Fiscal Year 2006-2007. According to Ms. Okubo, at that time, ECD plans to request General Fund monies to fund the approximate $70,620,499 balance of the debt service ($142,914,664 less the $72,294,165 to be funded with Emergency Response Fee revenues).

Source of Funds: E-911 (Enhanced-911) Project Funds - Public Protection Special Revenue Funds placed on reserve in August of 1997

The E-911 Project Fund is the repository for funds collected by the City from the Emergency Response Fee established by the Board of Supervisors in December of 1993 to apply to eligible commercial and residential lines in San Francisco. The Emergency Response Fee was originally imposed at a rate of $0.50 per month per access line (in general, on each telephone number for residential and commercial users) and $2.50 per month per trunk line (in general, for larger commercial users). In 1997, the Board of Supervisors approved an ordinance (File No. 127-97-1.1), which authorized a 100 percent increase in the Emergency Response Fee, bringing the Fee to its current level, from $0.50 per month to $1.00 per month for each eligible access line and from $2.50 to $5.00 per month for each eligible trunk line located in San Francisco. Ms. Okubo advises that the Fee increase was accompanied by an increase in the cap placed on total revenues that could be received by the City from the Emergency Response Fee from $60,000,000 to $100,000,000, an increase of $40,000,000 or 66.7 percent. Ms. Under the ordinance previously approved by the Board of Supervisors, when the City has received this total maximum amount of $100,000,000, the Emergency Response Fee will be eliminated.

Emergency Response Fee Revenue: According to Ms. Okubo, the current estimated monthly revenue from the Emergency Response Fee is $1,000,000, or $12,000,000 annually. Ms. Okubo reports that ECD collected $1,478,777 in Fee revenues during February of 2001. Ms. Okubo advises that as of March 21, 2001, total revenue collected from the Emergency Response Fee was $55.8 million, resulting in an average monthly revenue of $641,379 over the seven years and three months (or 87 months) the Fee has been in place. As stated previously, the Emergency Response Fee will expire when the City has collected $100,000,000 in fees. Based on current average revenues collected of $1,000,000 per month, the ECD anticipates that the City will reach this maximum amount of $100,000,000 in approximately December of 2004.

Recommendation: Approve the requested release of reserved funds.

Emergency Communications Department
1011 Turk Street, San Francisco, CA 94102
(415) 558-3800 Fax (415) 558-3841

llie L. Brown, Jr. Mayor

Thera Bradshaw, Director

MEMORANDUM

TO: Harvey Rose
Budget Analyst

FROM: Anne Okubo
Director of Finance and Administration

DATE: March 13, 2001

RE: Summary of 911 Project

This memo is in response to your request for background information on the 911 Project.

Summary of 911 Project

The 911 project built the combined emergency communications center and consolidated 911 operations for Police, Fire, EMS and public safety dispatch at one site. Project components include:

- Construction of the combined emergency communications center (CECC);
- Acquisition and installation of 911 dispatch and communications equipment; and
- Acquisition and installation of a Citywide 800 MHz emergency radio system.

The 911 project is a combined effort of the Fire, Police, DTIS and the Emergency Communications Department.

Description of Project Components

The components of the 911 project are as follows:

- CECC – two story, seismic base-isolated facility located at 1011 Turk St, housing 911 dispatch operations, the Mayor's Office of Emergency Services and the City's Emergency Operations Center.

- 911 Equipment – consisting of a Computer Aided Dispatch System and Automated Information System (CAD/AIS), Wide Area Network and Local Area Network (WAN/LAN), communications systems connecting fire and police stations to the 911 center, public safety network, metropolitan area network, 911 center wiring, PBX telephone equipment, public safety answering point equipment (PSAP) and mobile data terminals.

- 800 MHz Radio System – consists of an 8 site, 23 channel 800 MHz simulcast radio system located in the City and surrounding areas included renovation of the City's Telecommunications Maintenance Facility at 901 Rankin Street. Also includes a 5-channel wireless data network and metropolitan area network (WDN/MAN) providing high speed data communications from CAD/AIS to Police, Fire/EMS mobile data terminals.

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Willie L. Brown, Jr. Mayor

Thera Bradshaw, Director

MEMORANDUM

TO: Harvey Rose
Budget Analyst

FROM: Anne Okubo
Director of Finance and Administration

DATE: March 13, 2001

RE: Summary of 911 Project

This memo is in response to your request for background information on the 911 Project.

Summary of 911 Project

The 911 project built the combined emergency communications center and consolidated 911 operations for Police, Fire, EMS and public safety dispatch at one site. Project components include:

- Construction of the combined emergency communications center (CECC);
- Acquisition and installation of 911 dispatch and communications equipment; and
- Acquisition and installation of a Citywide 800 MHz emergency radio system.

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- 800 MHz Radio System – consists of an 8 site, 23 channel 800 MHz simulcast radio system located in the City and surrounding areas included renovation of the City's Telecommunications Maintenance Facility at 901 Rankin Street. Also includes a 5-channel wireless data network and metropolitan area network (WDN/MAN) providing high speed data communications from CAD/AIS to Police, Fire/EMS mobile data terminals.

Status of the 911 Project
Most components of the 911 project are completed or in the final stages of completion. To date the status of the 911 project is as follows:

- Construction of the CECC is complete. Construction of the community center adjacent to 1011 Turk is underway. This is a community project to mitigate the impact of the new CECC.
- Acquisition and installation of 911 equipment is complete. The CAD is currently in operation and final acceptance of the system is underway. The Fire AIS has been accepted. The Police AIS is currently undergoing system testing.
- Acquisition and installation of 800 MHz radio system is complete. Final system testing and acceptance is expected to be complete in spring 2001.
- Metropolitan Area Network (MAN) – not complete. ECD and DTIS are finalizing plans for the MAN. An interim system is currently in operation pending implementation of the MAN.

The major milestones of the project are:

- Completion of CECC – December 1998
- Fire dispatch cutover – April 2000
- Police dispatch cutover – November 2000

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Willie L. Brown, Jr. Mayor

Thera Bradshaw, Director

MEMORANDUM

Date: March 21, 2001

To: Harvey Rose
Budget Analyst

From: Anne Okubo
Director of Finance & Administration

Subject: Reserve Funds – 911 Project Budget

This memo is in response to your request for information regarding the budget for the 911 project.

911 Project Budget

The budget for the 911 project was $132.0 million (1996) and later revised to $166.4 million (1997) as follows:

	Original Budget	Revised Budget
800 MHz Radio	$ 58,066,000	$ 58,066,000
Automated Information System	10,200,000	10,818,000
Computer Aided Dispatch	4,500,000	20,873,000
E-911 Project Management	4,210,000	9,926,000
CECC Facility	24,273,000	25,274,000
Communications/Telephony/Support Systems	11,125,000	17,207,000
Other Costs	19,577,000	24,206,000
Total	$ 131,951,000	$ 166,370,000

The budget for the project was revised from $132.0 million to $166.4 million as a result of a study by Fluor Daniel that reviewed cost estimates, project schedules, and technological requirements of the project. The study concluded that changes in technology for the 800 MHz radio system, CAD/AIS revisions to accommodate user needs (Police, Fire/EMS), and other communications system requirements would result in revised budget estimates for the project. The revised budget for the 911 project ($166.4 million) is based on current actual costs.

The Emergency Communications Department does not expect actual expenditures to exceed the $166.7 million budget on the 911 project.

Use of Emergency Response Fee

The Emergency Response Fee (ERF) will be used to fund 911 project costs ($27.7 million) as well as debt service on bonds ($72.3 million) that fund the 911 project. The Emergency Response Fee, per the ordinance, will sunset when up to $100 million is collected.

Release of Reserve

The Emergency Communications Department (ECD) is requesting release of funds held on reserve as a source of revenue to fund future debt service. Total debt service in the current fiscal year is $8.8 million. Debt service will increase to $11.6 million in the next fiscal year. To date, the 911 project has had sufficient funding from the ERF as well as other sources. However, given that debt service is increasing, ECD would like to request release of these funds held on reserve.

If you have any questions, please call me at 558-3866.

cc: Thera Bradshaw

SOURCES OF PROJECT FUNDS

PROJECT	ERF	Series 1997 Bonds	Series 1998 Bonds	Series 1998-I Bonds	Series 1999-I Bonds*	1992 Fire Bonds	General Fund	Grants	TOTAL
800 MHz Emergency Radio System				$31,250,000	$18,750,000		$8,066,000		$58,066,000
Automated Information System (AIS)	$2,258,907		$8,559,093						10,818,000
Computer-Aided dispatch (CAD)	6,066,378		6,225,622				5,000,000	$3,581,000	20,873,000
Project Management	9,926,000								9,926,000
Combined Emergency Communications Center	1,139,000	$22,635,000				$1,500,000			25,274,000
Communications Equipment	7,265,550		4,941,450				4,000,000	1,000,000	17,207,000
Other Costs (including finance costs)			3,568,834				19,587,165		23,156,000
Training	1,050,000								1,050,000
Total	$27,705,835	$22,635,000	$23,295,000	$31,250,000	$18,750,000	$1,500,000	$36,653,165	$4,581,000	$166,370,000

* Expected to be issued in January 1999.

Emergency Communications Department
1011 Turk Street, San Francisco, CA 94102
(415) 558-3800 Fax (415) 558-3841

Willie L. Brown, Jr. Mayor

Thera Bradshaw, Director

MEMORANDUM

Date: **February 12, 2001**

To: **Harvey Rose**
Budget Analyst

From: **Anne Okubo**
Director of Finance & Administration

Subject: **Reserve Funds – Emergency Response Fee**

This memo is in response to your request for information regarding the request to release $4.5 million in funds held in reserve from the Emergency Response Fee.

Use of Reserve Funds

Funds held on reserve are $4.5 million in revenue derived from the Emergency Response Fee. Revenues from the fee are projected to be $12 million in the current fiscal year and are expected to remain at this level in the next fiscal year.

Revenues held on reserve will be used to fund future expenditures for debt service. Total debt service for the Emergency Communications Department (ECD) in the current fiscal year is $8.8 million. Debt service will increase to $11.6 million in the next fiscal year as indicated on the attached debt service schedules.

Projects Funded by Bond Funds

Four bond series were used to fund projects for the Emergency Communications Center. These funds and their projects are:

- Series 1997 – Combined Emergency Communications Center (CECC)
  - Project: Construction of the Emergency Communications Center.
  - Cost: $22,635,000
  - Project status: Completed

- Series 1998 – Combined Emergency Communications System Equipment
  - Project: Equipment for CECC including hardware for networks, servers, workstations, printers and other equipment necessary for the 911 Information and Communications System for call origination and dispatch.
  - Cost: $23,295,000
  - Project status: Complete with the exception of the Metropolitan Area Network (MAN). The ECD and DTIS are finalizing plans for the MAN. An interim system is currently in operation pending implementation of the permanent MAN.

- Series 1998-I & Series 1999-I – Citywide Emergency Radio System
  - Project: Acquisition and installation of a Citywide Emergency Radio System (800 MHz) including voice communications and a wireless data network.
  - Cost: $49,915,000
  - Project status: On schedule with the exception of the MAN (as indicated above). Final acquisition of the last component of the 800 MHz Radio System is expected in Spring 2001.

If you have any questions, please call me at 558-3866.

Attachment

cc: Thera Bradshaw

Attachment V

Emergency Communications Department
Debt Service Schedule
Per Original Bond Documents

Fiscal Year	CECC Bldg 1997	CECC Equipment 1998	800 MHZ Radio 1998-I	800 MHZ Radio 1999-I	Total
	Bond Series				
1997-98	$1,014,757.30	$0.00	$0.00	$0.00	$1,014,757.30
1998-99	1,217,708.76	773,768.03	1,632,143.61	0.00	3,623,620.40
1999-00	1,217,708.76	2,698,973.75	2,535,712.50	1,973,411.68	8,425,806.69
2000-01	1,707,708.76	2,699,973.75	2,596,512.50	1,781,346.25	8,785,541.26
2001-02	1,707,718.76	2,698,173.75	5,442,912.50	1,776,571.25	11,625,376.26
2002-03	1,711,453.76	2,703,573.75	5,438,312.50	1,777,721.25	11,631,061.26
2003-04	1,708,658.76	2,700,773.75	3,137,112.50	1,776,321.25	9,322,866.26
2004-05	1,709,588.76	2,704,973.75	3,455,912.50	1,777,291.25	9,647,766.26
2005-06	1,708,388.76	2,713,668.75	3,458,312.50	1,780,978.75	9,661,348.76
2006-07	1,710,628.76	2,703,468.75	3,093,512.50	1,776,185.00	9,283,795.01
2007-08	1,711,048.76	2,709,418.75	3,093,325.00	1,772,985.00	9,286,777.51
2008-09	1,709,648.76	2,723,268.75	3,095,487.50	1,777,785.00	9,306,190.01
2009-10	1,711,428.76	374,112.50	601,377.50	1,778,745.00	4,465,663.76
2010-11	1,711,128.76	377,892.50	603,997.50	1,775,745.00	4,468,763.76
2011-12	1,707,933.76	380,742.50	600,322.50	1,783,665.00	4,472,663.76
2012-13	1,712,618.76	377,632.50	600,435.00	1,781,725.00	4,472,411.26
2013-14	1,708,975.00	378,620.00	599,060.00	0.00	2,686,655.00
2014-15	1,707,675.00	243,740.00	601,500.00	0.00	2,552,915.00
2015-16	1,708,675.00	244,240.00	601,750.00	0.00	2,554,665.00
2016-17	1,710,650.00	249,240.00	600,750.00	0.00	2,560,640.00
2017-18	1,709,325.00	248,490.00	598,500.00	0.00	2,556,315.00
2018-19	1,709,700.00	252,240.00	0.00	0.00	1,961,940.00
2019-20	1,711,500.00	0.00	0.00	0.00	1,711,500.00
2020-21	1,709,450.00	0.00	0.00	0.00	1,709,450.00
2021-22	1,708,550.00	0.00	0.00	0.00	1,708,550.00
2022-23	1,708,525.00	0.00	0.00	0.00	1,708,525.00
2023-24	1,709,100.00	0.00	0.00	0.00	1,709,100.00
Total	$44,480,253.70	$30,956,985.53	$42,386,948.61	$25,090,476.68	$142,914,664.52

K:\Budget Sta[illegible]\Bonds\-MF0001A.xls 2/9/01

Source: Emergency Communications Departmen

Item 6 – File 01-0356

Department: Emergency Communications Department (ECD)

Item: Resolution authorizing the E-911 Project Director to execute Modification No. 6 to an existing contract with TRW, Inc. (TRW) in the amount of $536,210 for computer-related services at the Combined Emergency Communications Center.

Amount: $536,210

Description: Since 1997, the City has been in the process of constructing and completing the E-911 Project in order to improve the City's emergency response capabilities by integrating the separate emergency response systems previously employed by the Fire Department, the Police Department and Emergency Medical Services (EMS). EMS was transferred in July of 1997 from the Department of Public Health to the Fire Department. In December of 1998, the City completed construction of a centrally located Combined Emergency Communications Center (CECC), located at 1011 Turk Street, to serve as a 911 communications and dispatch center for Police, Fire, and Emergency Medical Services (EMS) and an emergency command center. The total estimated cost of the E-911 Project is $166,370,000. Attachment I, provided by the Emergency Communications Department (ECD), contains a description of the E-911 Project and a summary budget, including funding sources. According to Ms. Anne Okubo of the ECD, the CECC first opened in December in 1998 and was occupied by ECD, after which EMS and the Fire Department joined the Center in April of 2000 and the Police Department joined the Center in November of 2000. Attachment I describes the status of the E-911 Project. Ms. Okubo advises that the E-911 project is expected to be completed by June 30, 2001. In general, the work still remaining includes completion of the Police Automated Information System (AIS), as discussed in this report, completion of the Metropolitan Area Network (MAN) and final testing of the 800 MHz radio system, as described in Attachment I.

As part of the process of integrating Police, Fire and Emergency Medical Services into a Combined Emergency

Communications Center, in 1997 the Board of Supervisors approved a contract (File No. 172-97-24) with TRW, Inc. (TRW). According to Ms. Okubo, ECD selected TRW for the subject contract through a Request For Proposals (RFP) process in 1997. Ms. Okubo advises that using the criteria designed by ECD for this RFP process, TRW was ranked highest among the two firms that submitted proposals for the project. The other firm was PRC, Inc. according to Ms. Okubo.

Under the original contract with TRW, TRW has served as a system integrator for the Combined Emergency Communication Center and has provided certain software and professional services, as detailed in Attachment II, provided by ECD. TRW was hired to: (a) provide the City with an effective, up-to-date Computer Aided Dispatch (CAD) System, which is used to dispatch emergency services to 911 callers, (b) provide the City with an Automated Information System (AIS), which is used by Police, Fire and EMS to create and record incident reports and to organize records for records retrieval and management, and (c) integrate other information systems into the City's Combined Emergency Communication Center, including the 800 MHz radio system, mobile data terminals, and the 911 telephone system. The amount of the original contract with TRW was $17,136,260.

On October 19, 1998, the Board of Supervisors subsequently approved a resolution (File No. 98-1705) that authorized the City to modify the original contract of $17,136,260 with TRW, provided that such modifications did not exceed $5,000,000, resulting in a maximum contract amount of $22,136,260. This resolution was referred directly for adoption by the full Board of Supervisors, without reference to committee. Since 1997, ECD has approved five modifications to the original TRW amount of $17,136,260. As shown in the table below, these five modifications have increased the original contract by $4,947,352, or 28.9 percent, from $17,136,260 to $22,083,612.

This proposed resolution would authorize Modification No. 6 in the amount of $536,210. If the Board of Supervisors approves the proposed Modification No. 6, the contract with TRW would total $22,619,822, which is

$5,483,562, or approximately 32.0 percent more than the original contract of $17,136,260.

Date	Contract	Modification Amount	Amount
Sep. 2, 1997	Original contract		$17,136,260
Oct. 10, 1997	Modification 1	20,000	
June 30, 1998	Modification 2	86,838	
Sep. 10, 1998	Modification 3	765,088	
Sep. 3, 1999	Modification 4	2,803,544	
Sep. 7, 2000	Modification 5	1,271,882	
	Subtotal of First Five Modifications		$4,947,352
	Subtotal of Present Contract Costs		$22,083,612
	Proposed Modification No. 6		536,210
	Proposed Total Contract Amount		**$22,619,822**

Attachment III, provided by ECD, contains an explanation of each of the modifications listed above, including the proposed Modification No. 6, as well as the funding sources used for each modification. As stated in Attachment III by ECD, "The purpose of the contract modifications was primarily for software enhancement and operations and maintenance support."

The Budget Analyst notes that Modifications Nos. 1, 2 and 3 were all made *prior* to October 19, 1998, the date the Board of Supervisors authorized up to $5,000,000 of modifications to the original TRW contract. ECD was authorized under Charter Section 9.118 to make modifications to the contract under $500,000 without prior approval from the Board of Supervisors, including Modification No. 1, at a cost of $20,000, and Modification No. 2, at a cost of $86,838.

However, ECD had no authority, without prior approval by the Board of Supervisors, to enter into Modification No. 3, at a cost of $765,088. In addition, the total cost of $871,926 for all three modifications ($20,000 plus $86,838 plus $765,088) was $371,926 more than ECD's authorization of $500,000 in modifications as provided by Charter Section 9.118.

The proposed Modification No. 6 includes software enhancements, design changes requested by system users (Fire and Police Departments), and technical corrections,

according to Ms. Okubo. As stated in Attachment III, these changes include:

- Modifications to the Telephone Device for the Deaf interface (TDD);
- Modifications to the Computer Aided Dispatch (CAD) software;
- Enhancements to the Police Department's PeopleSoft for Human Resource Management System;
- Data conversion from the previous Computer Aided Dispatch (CAD) System to the new Enhanced CAD System;
- Additional operations and maintenance support.

In addition, the proposed contract Modification No. 6 would update the existing contract to reflect changes to the City Administrative Code to include the Minimum Compensation Ordinance and requirements that firms contracting with the City provide all eligible employees with Earned Income Credit Forms.

Ms. Okubo advises that the changes under Modification No. 6 are necessary because the Police Department and the Fire Department have requested software enhancements to improve the CAD/AIS system. According to Ms. Okubo, examples of such improvements include a modification to the Telephone Device for the Deaf (TDD) Interface and the installation of a Dictaphone interface.

Term of Contract: The term of the original contract with TRW commenced on September 2, 1997 and was to end on February 2, 2000. (See Comment No. 1 for further information). The proposed Modification No. 6 to the TRW contract would extend the contract expiration date to one year following the Final Acceptance Date, which is defined in the subject contract modification as the date that the Emergency Communications Department (ECD) has verified the performance of all services and materials provided under the subject contract with TRW. According to Ms. Okubo, ECD estimates that the Final Acceptance Date will be in June of 2001, which would set the expiration date of the subject contract with TRW one year later, approximately in June of 2002.

Source of Funds: E-911 (Enhanced-911) Project Funds, appropriated in 1993 to fund the E-911 Project, described in Attachment I provided by ECD.

The E-911 Project Fund is the repository for funds collected by the City from the Emergency Response Fee established by the Board of Supervisors in December of 1993 to apply to eligible commercial and residential lines in San Francisco. The Emergency Response Fee was originally imposed at a rate of $0.50 per month per access line (in general, on each telephone number for residential and commercial users) and $2.50 per month per trunk line (in general, for larger commercial users). In 1997, the Board of Supervisors approved a ordinance (File No. 127-97-1.1), which authorized a 100 percent increase in the Emergency Response Fee, bringing the Fee to its current level, from $0.50 per month to $1.00 per month for each eligible access line and from $2.50 to $5.00 per month for each eligible trunk line located in San Francisco. Ms. Okubo advises that the fee increase was accompanied by an increase in the cap placed on total revenues that could be received by the City from the Emergency Response Fee from $60,000,000 to $100,000,000, an increase of $40,000,000 or 66.7 percent. Under the resolution previously approved by the Board of Supervisors, when the City has received this total maximum amount of $100,000,000 the Emergency Response Fee will be eliminated.

According to Ms. Okubo, the current estimated average monthly revenue from the Emergency Response Fee is $1,000,000, or $12,000,000 annually. Ms. Okubo reports that ECD collected $1,478,777 in Fee revenues during February of 2001. Ms. Okubo advises that as of March 21, 2001, total revenue collected from the Emergency Response Fee was $55.8 million, resulting in an average monthly revenue of $641,379 over the seven years and three months (or 87 months) the Fee has been in place. As stated above, under the 1997 legislation that increased the amount of the Emergency Response Fee, the Fee will expire when the City has collected a total of $100,000,000 in fees. Therefore, based on current average revenues collected of $1,000,000 per month, ECD anticipates that the City will reach this maximum amount of

$100,000,000 in approximately December of 2004, in approximately 45 months.

Budget for Modification No. 6: The table below contains a budget for the proposed Modification No. 6 to the existing contract with TRW. The budget is based on: (a) a fixed price agreement per service, negotiated with TRW, and (b) hourly rates for time and materials, in addition to the fixed price agreement, for additional maintenance and operation services, including hardware support, Computer Aided Dispatch (CAD) administration and software applications.

Proposed Modification No. 6	Hourly Rate	No. of Hours	Amou[illegible]
Fixed Price Agreement (See Attachment IV for details, provided by the ECD)	NA	NA	$283,[illegible]
	Subtotal Fixed Price Agreement		$283,[illegible]
Hourly Rates for Time and Materials			
Computer Aided Dispatch Administrator			
8:00 am - 5:00 pm	$169	700	$118,[illegible]
5:00 pm - 12:00 am	$194	50	9,[illegible]
12:00 am - 8:00 am	$203	20	4,[illegible]
Unix Administrator			
8:00 am - 5:00 pm	$137	400	54,[illegible]
5:00 pm - 12:00 am	$158	20	3,[illegible]
12:00 am - 8:00 am	$164	16	2,[illegible]
NT Administrator (NT is a computer operating system)			
8:00 am - 5:00 pm	$137	400	54,[illegible]
5:00 pm - 12:00 am	$158	20	3,[illegible]
12:00 am - 8:00 am	$164	15.58	2,[illegible]
Subtotal Time and Materials		1,641.58	$253,[illegible]
Total Maximum Cost for Modification No. 6			$536,[illegible]

Comments: 1. The term of the original contract with TRW commenced on September 2, 1997 and was to end on February 2, 2000, for a term of two years and five months. Based on the Budget Analyst's review of Modification No. 4, Modification No. 4 authorized an extension of the original contract from February 2, 2000 through September 14, 2000, when the contract was scheduled to expire. The

Budget Analyst notes that the contract thus expired seven days after ECD approved Modification No. 5 to the original contract on September 7, 2000. Modification No. 5 did not change the expiration date of September 14, 2000, according to Ms. Okubo. Ms Okubo advises that even though the contract with TRW officially expired on September 14, 2000, TRW has continued on site to complete work required under its contract with the City. As previously noted, the proposed Modification No. 6 to the TRW contract would extend the contract expiration date to one year following the contract's Final Acceptance Date, after the ECD has verified the performance of all services and materials provided under the subject contract with TRW. Ms. Okubo advises that the final year of the contract would serve as a warranty period for all products and services provided by TRW. According to Ms. Okubo, ECD estimates that the contract's Final Acceptance Date will be in June of 2001, which would set the expiration date of the subject contract with TRW one year later, or approximately in June of 2002. Therefore, if the Board of Supervisors approves Modification No. 6, the new term of the contract with TRW will be from September 2, 1997 until approximately June of 2002, for a total term of approximately four years and ten months, which is approximately twice as long as the original contract term of two years and five months.

2. The proposed Modification No. 6 states that the City will be required to pay a total amount *not to exceed* $536,210, which includes the fixed negotiated fees totaling $283,050, detailed in Attachment IV, and an amount not to exceed $253,160 for time and materials. However, the proposed resolution does not include the "not to exceed" language. Therefore, the proposed resolution should be amended to include the phrase "not to exceed." Ms Okubo advises that if TRW exceeds the allotted hours to complete the workplan, as agreed upon by both parties, TRW will not charge ECD additional fees for those hours.

3. Under the original contract with TRW, the Project Schedule could be amended by mutual agreement between the City and TRW. However, the original contract contained three time-sensitive milestones

("Critical Milestones") that TRW had to complete by specific dates (shown in the table below) or the City would suffer financial harm. Under the original contract, the City and TRW agreed that $5,000 for each calendar day beyond the 60th calendar day that TRW failed to meet any Critical Milestone would constitute a reasonable estimate of the additional costs and expenses and detriment that the City would incur therefrom. Ms. Okubo advises that such costs to the City were based on estimates of potential damages and were contained in the original contract. Under the original contract, TRW's maximum liability for liquidated damages related to Critical Milestones was limited to $1,500,000.

Ms. Okubo advises that the Critical Milestones under the original contract were as follows:

a) Completed Acceptance Test[1] for operation of the Fire Department Automated Information System (AIS) (April 2, 1999) and the Police Department AIS (January 8, 1999);

b) Completed Acceptance Test for the Enhanced Computer Aided Dispatch (ECAD) system (March 26, 1999);

c) Cutover of the 911 System (October 30,1999). (Cutover refers to the date the system was put into operation, according to Ms. Okubo).

Ms. Okubo advises that the TRW failed to meet any of the above three Critical Milestones. The Budget Analyst notes that as of the writing of this report, ECD was unable to provide the Budget Analyst with an explanation for why ECD did not assess liquidated damages under the original contract provisions on TRW for failing to meet the three above Critical Milestones.

In September of 1999, Modification No. 4 revised and extended the original Critical Milestone dates, as shown in the table below. Ms. Okubo advises that TRW failed to meet four of the five the revised Critical Milestones, as

[1] For "Acceptance," the original contract establishes the dates, performance standards, and criteria by which the contract deliverables were to be accepted formally by the City.

shown in the table. As a result, on October 15, 1999 ECD began assessing against TRW $1,500,000 in liquidated damages, the maximum amount authorized, on October 15, 1999. ECD was unable to provide the Budget Analyst with the final date ECD assessed the total $1,500,000 in liquidated damages.

Revised Critical Milestone under Modification No. 4			
Revised Critical Milestone	**Critical Milestone Date**	**Date to Begin Liquidated Damages**	**Actual Date Critical Milestone Realized***
Site Acceptance of Fire Department Automated Information Systems (AIS)	Oct. 1, 1999	Oct. 15, 1999	Jan. 9, 2001
Site Acceptance of Police Department AIS	Oct. 22, 1999	Oct. 30, 1999	Expected approximately by June 31, 2001
Enhanced CAD Factory Acceptance Test	April 2, 1999	June 2, 1999**	June 2, 1999
Cutover of Fire Computer Aided Dispatch (CAD) ***	Nov. 30, 1999	Feb. 8, 2000	Nov. 12, 2000
Cutover of 911 System	Feb. 14, 2000	Feb. 15, 2000	Nov. 12, 2000

* Information provided by ECD.
** This represents the one Critical Milestone deadline met by TRW.
*** "Cutover" refers to the date the system was put into operation, according to Ms. Okubo

4. As stated in Attachment II, provided by ECD, as of October 15, 1999, the City began to withhold $1,500,000 in liquidated damages assessed against TRW from payments owed by the City to TRW. According to Ms. Okubo, excluding one additional bill of $902,405, which ECD has not yet processed, TRW has billed the City for $21,135,792 in services provided by TRW, and the City has paid TRW a total of $19,635,792, which is $1,500,000 less than the $21,135,792 billed by TRW. As shown in Attachment II. Ms. Okubo advises ECD will not pay the additional $902,405 until TRW has completed all services

required under the original contract and subsequent modifications. The final payment of this $902,405 would result in a total contract amount of $22,038,197, which is $45,415 less than the total authorized contract amount of $22,083,612 through Modification No. 5 (due to billings from TRW based on time and materials that were less than originally anticipated, according to Ms. Okubo).

Ms. Okubo advises that the $1,500,000 in liquidated damages being withheld from TRW could create a surplus of $1,500,000 in the project budget for the E-911 Project if the funds are not paid to TRW. Ms. Okubo advises that ECD has not yet determined how these $1,500,000 in funds will be used if the funds are not paid to TRW.

5. Mr. Fraijo declined to make a statement that the City will eventually not pay TRW the $1,500,000 in liquidated damages presently being withheld by the City for TRW services rendered for which the City has not yet paid TRW.

6. The Budget Analyst notes that Modification No. 4 states:

> "In addition to any other remedy under this Agreement, TRW's inability to achieve Final Acceptance of the integration CAD/AIS Police, Fire/EMS Systems within 120 days after Critical Milestone 5 will be cause for immediate termination of this Agreement."

As shown in the table above, Critical Milestone No. 5 consisted of Cutover operation for the 911 System and had a Critical Milestone deadline of February 14, 2000, making the 120-day, or three-month, deadline May 14, 2000. However, according to Ms. Okubo, ECD does not expect TRW to achieve Final Acceptance of the integration CAD/AIS Police Systems until approximately June 30, 2001, which would be 13.5 months past the May 14, 2000 deadline stipulated in Modification No. 4. Ms. Okubo advises that ECD did not terminate the Agreement, as permitted by Modification No. 4, because the project was close to completion and it was determined that at that point, it would not benefit the project to seek a new contractor.

7. Modification No. 6 states that, "Upon completion and successful demonstration of the functionality of all the Work set forth in this Sixth Modification, TRW shall be entitled to submit an invoice to the City for payment of $283,050," which is the total cost of the Fixed Price Agreement, shown in Attachment IV. For the remaining $253,160 of the total $536,210 cost of Modification No. 6., the contract states that TRW may submit invoices on a time and materials basis.

Summary: In summary, the Budget Analyst notes the following issues raised in this report:

(a) In 1997, the Board of Supervisors approved the original $17,136,260 contract with TRW, Inc., for TRW to provide the Emergency Communications Department (ECD) with software and related professional services for the Combined Emergency Communication Center (CECC), for a contract term from September 2, 1997 to February 2, 2000;

(b) Subsequently, on October 19, 1998, the Board of Supervisors approved a resolution, for adoption by the Board of Supervisors, without reference to committee, that authorized ECD to make up to $5,000,000 in modifications to the original contract, without having to seek prior approval from the Board of Supervisors;

(c) In fact, ECD had already authorized contract modifications totaling $871,926 under the TRW contract, prior to the Board of Supervisors October 19, 1998 approval of the resolution that authorized up to $5,000,000 in such contract modifications. ECD had the authority under Charter Section 9.118 to make only $500,000 of contract modifications without prior approval by the Board of Supervisors. Therefore, ECD entered into contract modifications exceeding their authorization by a total of $371,926 ($871,926 less $500,000);

(d) TRW failed to meet the three Critical Milestones outlined in the original contract, and ECD failed to charge TRW any liquidated damages, as stipulated under the original contract;

(e) Modification No. 4 subsequently extended and revised the Critical Milestones, of which TRW failed to meet four out of the five Critical Milestones;

(f) As a result, beginning October 15, 1999, ECD assessed liquidated damages totaling $1,500,000, the maximum amount allowed by the contract with TRW. ECD was unable to provide the Budget Analyst with the final date ECD assessed the total $1,500,000 in liquidated damages;

(g) Mr. Fraijo declined to make a statement that the City will not eventually pay TRW the $1,500,000 in liquidated damages presently being withheld by the City for TRW services rendered for which the City has not yet paid TRW;

(h) Modification No. 4 also extended the contract term from the original expiration date of February 2, 2000 to September 14, 2000, which was only seven days after Modification No. 5 was approved on September 7, 2000;

(i) The proposed Modification No. 6 to the TRW contract would extend the contract expiration date to one year following the contract's Final Acceptance Date, after the ECD has verified the performance of all services and materials provided under the subject contract with TRW. ECD estimates that the contract's Final Acceptance Date will be in June of 2001, which would set the expiration date of the subject contract with TRW one year later, or approximately in June of 2002;

(j) Therefore, if the Board of Supervisors approves Modification No. 6, the new term of the contract with TRW will be from September 2, 1997 until approximately June of 2002, for a total term of approximately four years and ten months, which is approximately twice as long as the original contract term of two years and five months.

Recommendations:

1. Amend the proposed resolution to add the phrase "not to exceed" before the total Modification contract amount of $536,210, in accordance with Comment No. 2 above.

2. Reserve the $1,500,000 in liquidated damages presently being withheld from payments owed by the City to TRW for services rendered, pending submission to the Finance Committee by ECD of a status report of such liquidated damages and the proposed use of any surplus project funds resulting from such liquidated damages.

3. Request that the Emergency Communications Department report back to the Board of Supervisors as to the status of the TRW contract in July of 2001, after TRW is expected to have completed the work required under Modification No. 6.

4. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

Emergency Communications Department
1011 Turk Street, San Francisco, CA 94102
(415) 558-3800 Fax (415) 558-3841

illie L. Brown, Jr. Mayor

Thera Bradshaw, Director

MEMORANDUM

TO: Harvey Rose
Budget Analyst

FROM: Anne Okubo
Director of Finance and Administration

DATE: March 13, 2001

RE: Summary of 911 Project

This memo is in response to your request for background information on the 911 Project.

Summary of 911 Project

The 911 project built the combined emergency communications center and consolidated 911 operations for Police, Fire, EMS and public safety dispatch at one site. Project components include:

- Construction of the combined emergency communications center (CECC);
- Acquisition and installation of 911 dispatch and communications equipment; and
- Acquisition and installation of a Citywide 800 MHz emergency radio system.

The 911 project is a combined effort of the Fire, Police, DTIS and the Emergency Communications Department.

Description of Project Components

The components of the 911 project are as follows:

- CECC – two story, seismic base-isolated facility located at 1011 Turk St, housing 911 dispatch operations, the Mayor's Office of Emergency Services and the City's Emergency Operations Center.

- 911 Equipment – consisting of a Computer Aided Dispatch System and Automated Information System (CAD/AIS), Wide Area Network and Local Area Network (WAN/LAN), communications systems connecting fire and police stations to the 911 center, public safety network, metropolitan area network, 911 center wiring, PBX telephone equipment, public safety answering point equipment (PSAP) and mobile data terminals.

- 800 MHz Radio System – consists of an 8 site, 23 channel 800 MHz simulcast radio system located in the City and surrounding areas included renovation of the City's Telecommunications Maintenance Facility at 901 Rankin Street. Also includes a 5-channel wireless data network and metropolitan area network (WDN/MAN) providing high speed data communications from CAD/AIS to Police, Fire/EMS mobile data terminals.

Status of the 911 Project

Most components of the 911 project are completed or in the final stages of completion. To date the status of the 911 project is as follows:

- Construction of the CECC is complete. Construction of the community center adjacent to 1011 Turk is underway. This is a community project to mitigate the impact of the new CECC.
- Acquisition and installation of 911 equipment is complete. The CAD is currently in operation and final acceptance of the system is underway. The Fire AIS has been accepted. The Police AIS is currently undergoing system testing.
- Acquisition and installation of 800 MHz radio system is complete. Final system testing and acceptance is expected to be complete in spring 2001.
- Metropolitan Area Network (MAN) – not complete. ECD and DTIS are finalizing plans for the MAN. An interim system is currently in operation pending implementation of the MAN.

The major milestones of the project are:

- Completion of CECC – December 1998
- Fire dispatch cutover – April 2000
- Police dispatch cutover – November 2000

SOURCES OF PROJECT FUNDS

PROJECT	ERF	Series 1997 Bonds	Series 1998 Bonds	Series 1998-1 Bonds	Series 1999-1 Bonds*	1992 Fire Bonds	General Fund	Grants	TOTAL
800 MHz Emergency Radio System				$31,250,000	$18,750,000		$8,066,000		$58,066,000
Automated Information System (AIS)	$2,258,907		$8,559,093						10,818,000
Computer-Aided dispatch (CAD)	6,066,378		6,225,622				5,000,000	$3,581,000	20,873,000
Project Management	9,926,000								9,926,000
Combined Emergency Communications Center	1,139,000	$22,635,000				$1,500,000			25,274,000
Communications Equipment	7,265,550		4,941,450				4,000,000	1,000,000	17,207,000
Other Costs (including finance costs)			3,568,834				19,587,165		23,156,000
Training	1,050,000								1,050,000
Total	$27,705,835	$22,635,000	$23,295,000	$31,250,000	$18,750,000	$1,500,000	$36,653,165	$4,581,000	$166,370,000

* Expected to be issued in January 1999.

Emergency Communications Department
1011 Turk Street, San Francisco, CA 94102
(415) 558-3800 Fax (415) 558-3841

Willie L. Brown, Jr. Mayor

Thera Bradshaw, Director

MEMORANDUM

TO: Harvey Rose
Budget Analyst

FROM: Dan Fraijo
Project Manager

DATE: March 22, 2001

RE: TRW Contract

This memo is in response to your request for additional information on the services provided in the TRW contract.

TRW Contract
The contract with TRW was to design and install components of the 911 system. These components include the Computer Aided Dispatch (CAD), Automated Information System (AIS), and other communications equipment that serve to support Police, Fire and EMS dispatch and response. In addition, TRW is under contract to integrate these components into other 911 systems such as the 800 MHz radio system, mobile data terminals and telephony systems.

Modifications to the original contract were undertaken to enhance the CAD/AIS and other communications systems. These enhancements included software enhancements and operations and maintenance support. Contract modifications included services to:

- design a Police incident and accident reporting system;
- design services for electrical power systems, acoustic studies of the emergency generators and other revisions;
- enhancements to the Human Resource Management System (HRMS);
- additional Police AIS stations;
- build & maintain geofile/mapping databases for CAD/AIS;
- modifications to the software used by Police for mobile data terminals (UCS);
- software modifications to Fire CAD/AIS;
- modifications to integrate data from the Court Management System into RMS;
- Y2K remediation; and
- operations and maintenance support.

Expenditures Paid to TRW
To date, the Emergency Communications Department has paid TRW $19,635,792. Withheld from these payments are liquidated damages of $1,500,000 for a total of $21,135,792 in services.

TRW is completing work on the Police Department Automated Information System, Computer Aided Dispatch final acceptance, and close out documentation. A final payment of $902,405 is pending completion of this work. This final payment is authorized under the existing contract and contract modifications. It is expected that the final payment will be made upon completion of the work, which is expected to be by fiscal year end.

Liquidated Damages
Liquidated damages of $1,500,000 have been assessed against TRW as follows:

Date	Invoice No.	Invoice Amount	Payment	Liquidated Damages
10/14/99	67740014	$ 1,164,504	$ 1,139,504	$ 25,000
10/14/99	67740015	902,405	317,405	585,000
10/14/99	67740016	902,405	12,405	890,000
Total		$ 2,969,314	$ 1,469,314	$ 1,500,000

Emergency Communications Department
1011 Turk Street, San Francisco, CA 94102
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Willie L. Brown, Jr. Mayor

Thera Bradshaw, Director

MEMORANDUM

TO: **Harvey Rose**
Budget Analyst

FROM: **Thera Bradshaw**
Executive Director

DATE: **March 13, 2001**

RE: **TRW Contract Modification 6**

This memo is in response to your request for information on the TRW contract modification 6.

The TRW contract consists of an original contract of $17,136,260 (Resolution No. 803-97) and five contract modifications up to a maximum additional amount of $5,000,000 (Resolution No. 866-98). The Board of Supervisors approved both of these items. ECD is now proposing to enter into contract modification 6 for an additional $536,210.

<u>TRW Contract Services</u>

The purpose of the contract with TRW is to design and install a Computer Aided Dispatch System (CAD) to be used for 911 dispatch operations and Automated Information Systems (AIS) for Police and Fire/EMS. Other major components of the contract included:

- Enhancements to interim Computer Aided Dispatch
- Police Automated Information System (Records Management System, Human Resources Management System & Mobile Computing System)
- Fire Automated Information System
- Integration of CAD/AIS, telephony & 800 MHz radio systems

<u>History of TRW Contract</u>

The history of the TRW contract is as follows:

	Amount	Date	Primary Funding Source	Secondary Funding Source
Original contract	$17,136,260	9-2-97	911 Fee	Federal grant, General Fund
Modification 1	$20,000	10-10-97	911 Fee	
Modification 2	$86,838	6-30-98	911 Fee	
Modification 3	$765,088	9-10-98	911 Fee	State grant, General Fund
Modification 4	$2,803,544	9-3-99	911 Fee	General Fund
Modification 5	$1,271,882	9-7-00	911 Fee	
Proposed Modification 6	$536,210			
Total	$22,619,822			

The purpose of the contract modifications was primarily for software enhancements and operations and maintenance support. The details of the contract modifications are as follows:

- Modification 1 - Cops More Project Design Phase (Design of Police Incident/Accident Reporting system.
- Modification 2 - Additional design services for electrical power systems, acoustic studies of the emergency generators and other revisions.
- Modification 3 - Various change orders for PeopleSoft for Human Resource Management System (HRMS); additional Police AIS stations; build & maintain geofile/mapping databases for CAD/AIS; use of Interim CAD (ICAD) as a message switch; and software modifications.
- Modification 4 - Various change orders for UCS PoliceWorks (Mobile Computing System for SFPD); CAD/AIS design, access & installation for DPT; software modifications to Fire CAD/AIS; schedule extension.
- Modification 5 - Various change orders for enhancements to PoliceWorks Application; Court Management System tape upload to RMS; Fire mobile computing licenses/devices; enhancements to HRMS application; Y2K remediation; 3 months of operations and maintenance support.

Modification 6 proposes to execute other change orders for software enhancements, design changes requested by the system users (Fire and Police) and technical fixes. These change orders include modifications to the Telephone Device for the Deaf (TDD) interface; CAD software modifications; enhancements to Police HRMS application; data conversion from ICAD to Enhanced CAD (ECAD); additional operations and maintenance support. These changes were requested by ECD and TRW. The source of funds for modification 6 is the 911 fee fund (Emergency Response Fee). These funds have been appropriated.

The total amount expended to date for the TRW contract is $19,635,792. The TRW contract expired on September 14, 2000. The term of the contract was last extended in modification 4. Modification 6 proposes to extend the contract term to one year following final systems acceptance.

Project Schedule

The project schedule per the original contract and modification 4 is as follows:

	Original Contract Date	Modification 4 Date	Actual Date
Fire AIS Cutover	4-5-99	11-15-99	4-12-00
Police AIS Cutover	1-11-99	2-14-00	--
ECAD Cutover	10-30-99	2-14-00	11-12-00

Police AIS site acceptance testing is not yet complete.

Critical milestones for the project, per modification 4 are as follows:

- 30 day Fire AIS final acceptance test – Aug 10 to September 9, 2000
    - Final acceptance granted on January 9, 2001
- 30 day CAD final acceptance test - restarted February 26, 2001
- 30 day Police final acceptance test - not yet started

The actual cutover dates and critical milestones did not meet the contract requirements. As a result, liquidated damages were assessed against TRW for a total amount of $1,500,000. Liquidated damages have been withheld from payments to TRW and will increase the balance remaining in the project fund. This amount is the maximum amount authorized by the contract.

Attachment IV

CITY AND COUNTY OF SAN FRANCISCO
TRW CHANGE ORDERS

Fixed Price Fee Agreement	Amount
Modification to Unified Login Processing	$ 36,286
Modification to the Telephone Devise for the Deaf (TDD) Interface	38,181
Modification to the Smartzone Interface	47,191
Radio Channel Designations	9,308
Resolution of Minor Changes from San Francisco Fire Department	4,160
Claim to Recover Training Costs	1,778
TESS Reporting of ECD Employees	3,000
Enhanced Computer Aided Dispatch (ECAD) Queries from RMS Terminal	32,928
Installation of Dictaphone Interface	0
Installation of Computer Aided Dispatch Admin/ PCs at Hall of Justice	0
Additional Police Department Human Resources Management System (HRMS) Panels	18,837
PeopleSoft HRMS Program Changes	18,837
ECAD Commands - Home, End, etc.	48,900
Unit History Conversion from I Computer Aided Dispatch (ICAD) to ECAD	23,644
Subtotal – Fixed Price Fee Agreement	283,050
Time and Materials – not to exceed amount	253,160
Total MOD 6	$ 536,210

Source: Emergency Communications Department

Item 7 – File 01-0274

Note: This item was continued by the Finance Committee at its meeting of March 21, 2001.

Department: Treasurer and Tax Collector's Office

Item: Ordinance amending the Business and Tax Regulations Code to (1) repeal Section 917.1 of Article 12-A and all of Article 12-B to eliminate the Gross Receipts method of calculating the tax on businesses; (2) enact a new Article 12 to amend the Business Tax Registration requirements consistent with the repeal of Article 12-B; and, (3) enact a new Article 12-B to refund Gross Receipts-based tax payments for the 2000 tax year (January 1, 2000 through December 31, 2000) to the extent that such payments exceeded businesses' tax liability for such year as measured by their payroll expense and resulting Payroll Tax liability to the City, effective retroactively to January 1, 2000.

Description: According to Mr. Tom Owen of the City Attorney's Office, the proposed ordinance would:

- Repeal the Gross Receipts method of calculating the Business Tax effective January 1, 2000 (2000 tax year).
- Amend the Business Tax Registration Certificate Fee requirements to be consistent with the repeal of the Gross Receipts Tax.
- Refund Gross Receipts-based Taxes for the 2000 tax year which exceed the amount that would have been due to the City in Payroll Taxes based on the businesses' payroll expenses.

Comments: 1. According to Ms. Julie Van Nostern of the City Attorney's Office, this ordinance is intended to respond to a series of lawsuits challenging the City's Business Tax structure. Ms. Van Nostern advises that those lawsuits include a claim that the City's alternative Business Tax structure is unconstitutional because businesses are required to pay the City either its Gross Receipts liability or its Payroll Tax liability, whichever is higher. According to Ms. Van Nostern, the Superior Court has ruled against the City as to the constitutionality of the alternative Business Tax

structure and advises that this Superior Court decision is on appeal. Ms. Van Nostern states that although the City disagrees with the decision of the Superior Court, repealing the Gross Receipts Tax method and imposing only the Payroll Taxes on businesses would eliminate any future potential liability to the City based on the claim of unconstitutionality of the alternative tax scheme.

In FY 2000-2001, the Controller has placed on reserve \$26.1 million in Gross Receipts Tax revenue representing the estimated annual liability for the City's current fiscal year. The Controller has also set aside additional funds to cover reimbursement for any liability which may have been incurred in prior years.

2. According to Mr. George Putris, Tax Administrator, Business Taxes owed to the City are currently determined by one of two methods: (a) 1.5 percent of payroll expenses (the Payroll Tax); and, (b) Gross Receipts (the Gross Receipts Tax), which varies from a flat \$800 a year to \$1.23 to \$3.00 per \$1,000 of Gross Receipts depending on the type of business. Businesses are required to pay the City either the Payroll Tax or the Gross Receipts Tax, whichever is higher. Such taxes are remitted to the General Fund.

3. Under the proposed ordinance, the Gross Receipts Tax method would be eliminated beginning in the 2000 tax year, effective January 1, 2000. Therefore, if this ordinance is approved, the Tax Collector's Office will contact an estimated 1,640 businesses (the estimate is based on 1999 tax year figures) who were required to pay the City on the basis of their Gross Receipts Tax liability and advise such businesses to calculate the Business Taxes due to the City by using the Payroll Tax method, so that the Tax Collector can compare the amount of the Payroll Tax due to the City to the amount already paid using the Gross Receipts Tax method. An Associate Auditor in the Tax Collector's Office would then compare the amount of the taxes due under the two methods and refund the amount of the Gross Receipts-based Taxes for the 2000 tax year which exceed the amount due to the City from the Businesses' Payroll Tax liability. Mr. Mark

Buckley of the Tax Collector's Office advises that such a procedure would result in the Tax Collector incurring estimated costs of $39,000, based on the salary and fringe benefits for a 0.5 FTE Associate Auditor.

4. The Deputy Tax Administrator, Ms. Ayisha Benham, estimates that the annual foregone revenue from eliminating the Gross Receipts method would be approximately $22.1 million (the estimate is based on 1999 tax year figures) The Controller's reserve of $26.1 million for FY 2000-2001 in Comment 1 is based upon expected growth in Gross Receipts Tax revenues since 1999. Attachment I, provided by the Tax Collector's Office, indicates how the Tax Collector estimated the $22.1 million of the tax revenue to be foregone.

5. Mr. Putris notes that eliminating the Gross Receipts method of tax payment will also require changing how the Business Tax Registration Certificate Fees are determined. Currently, the Business Tax Registration Certificate Fee can be based on either Gross Receipts or the Payroll Expense. Under the proposed ordinance, the Business Tax Registration Fee would be based on the Payroll Expense Tax liability. According to Ms. Benham, under the proposed ordinance, businesses whose Payroll Tax liability to the City would result in no taxes being paid to the City, would pay the minimum Business Tax Registration Certificate Fee of $25 and businesses which would owe a Payroll Tax liability to the City would pay either $150, $250 or $500 annually depending on the level of their tax liability. Presently all businesses whose Gross Receipts Tax liability or Payroll Tax liability is $2,500 or less, are exempt from paying Business Taxes to the City. Ms. Benham estimates the forgone Business Tax Registration Certificate Fee revenue for the General Fund, based on tax year 1999 data, would be approximately $3.9 million annually, beginning in FY 2001-2002. Attachment I, provided by the Tax Collector's Office, shows how the Tax Collector estimated the amount of $3.9 million of foregone Business Tax Registration Certificate Fees. Businesses will be informed of the changes to the Business Tax Registration Certificate

Fee calculation in the annual Registration mailing at no additional cost to the Tax Collector's Office.

6. Ms. Serena Wong from the Department of Telecommunications and Information Services (DTIS) states that in order to implement the proposed ordinance, the DTIS Business Tax Programming Team will need to: (1) modify the existing Business Tax system to handle data from the pre and post 2000 tax year (the effective date of the proposed ordinance is January 1, 2000); (2) develop and/or modify software programs to implement the 2000 tax year refund process; and, (3) provide management reports to the Tax Collector to support the refund process. Ms. Wong estimates that the DTIS will spend approximately 2,418 hours modifying and/or developing software for the Tax Collector's Office at an estimated hourly rate of $91.42 for a total cost estimate of $221,054. Attachment II, provided by DTIS, details what DTIS services will be required at an estimated cost of $221,054, to modify the existing Business Tax system software currently used by the Tax Collector in determining a Business' Tax obligation.

7. Because the Tax Collector already printed its publications on Business Tax calculations in December of 2000, Mr. Buckley advises that instituting the repeal of the Gross Receipts Tax will require revising and reprinting of the Tax Collector's publications as well as printing and mailing out refund forms to the estimated 1,640 businesses who used the Gross Receipts Tax method to pay their Business taxes to the City. Mr. Buckley estimates the printing and mailing costs would be approximately $4,500.

8. According to the Tax Collector's Office, the one-time estimated administrative costs for implementing the proposed ordinance would include: (1) Tax Collector costs of approximately $39,000 to refund the differential between Payroll Expense Taxes and Gross Receipts Taxes; (2) $221,054 in Department of Telecommunications and Information Services costs associated with changes to or new programs for the Tax Collector's Business Tax Software system; and, (3) $4,500 in costs to revise and reprint the Tax Collector's

publications as well as printing and mailing out refund forms to the estimated 1,640 businesses who used the Gross Receipts Tax method, resulting in a total estimated one-time administrative cost of $264,554.

9. According to Mr. Putris, the Treasurer-Tax Collector anticipates that a supplemental appropriation will be required to fund a portion of the estimated one-time administrative cost of $264,554 that will be incurred during the remainder of FY 2000-2001. However, as of the writing of this report, Mr. Putris is unable to estimate the precise amount that will be requested in such a supplemental appropriation.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Office Of The Treasurer & Tax Collector
City and County of San Francisco
Mailing Address: P.O. Box 7426 ❖ San Francisco, CA 94120-7426
Street Address: 1 Dr. Carlton B. Goodlett Place ❖ San Francisco, CA 94102-0917

SUSAN LEAL, Treas
Phone: (415) 554-
GEORGE PUTRIS, Tax Administr
Phone: (415) 554-
AYISHA J. BENHAM, Deputy Tax Administr
Phone (415) 554-

Elimination of Gross Receipts Measure

Business Tax Revenue Decrease

Based on tax year 1999 data, the total amount of Gross Receipts revenues collected was $32.9 million. We anticipate that the City will receive the lesser payroll tax amount from those taxpayers above the $2500 threshold amount of calculated tax. The lesser payroll tax above the threshold amount was $10.8 million. Therefore, the foregone revenue due to elimination of gross receipt tax is $22.1 million.

Effect of Gross Receipts Elimination on Calculation of Registration Fee

Currently, the registration fee is based on the taxpayers' tax liability, which is the higher of either the gross receipts tax or the payroll expense tax. The proposed legislation will eliminate the gross receipts tax and therefore change how registration fee amounts are determined. The registration fee amount will be based on a taxpayer's payroll expense tax liability. Taxpayers with $0 in payroll expense tax will now pay the $25 minimum registration fee and the rest, based on the amount of their payroll expense tax, will pay either $150, $250 or $500 annually. Currently, only taxpayers with less than $15,000 in annual gross receipts pay the $25 minimum registration fee.

Based on tax year 1999 data, $9 million was generated in registration fee revenues from 67,300 taxpayers. The impact of this new legislation will result in 34,900 taxpayers paying a lesser amount; 2,200 will pay a greater amount (although it appears that these 2,200 either underpaid originally or paid a prorated amount the previous year as a newly started business); and 30,200 taxpayers will pay the same amount of annual registration fee. 34,400 taxpayers that previously paid a higher registration fee amount will now pay the $25 minimum registration fee. Under the new scheme, the total registration fees from the same 67,300 taxpayers will generate $5.1 million in revenue. Consequently the annual registration fee revenues will decline by $3.9 million.

TY AND COUNTY OF SAN FRANCISCO

Liza M. Lowery
Executive Director
Telephone: (415) 554-0801

DEPARTMENT OF TELECOMMUNICATIONS AND INFORMATION SERVICES

Rod Loucks
Chief Technology Officer
Telephone: (415) 554-0893 Fax: (415) 554-4733

Serena Wong, BTS Project Manager
Telephone: (415) 554-0862 Fax: (415) 554-0886

March 12, 2001

To: Maureen Singleton, Budget Analyst

From: Serena Wong, DTIS

Subject: Justification for Business Tax System Revised Legislation Programming

Maureen,

Currently, the Business Tax System is calculating the business taxes for taxpayers based on the higher of their gross receipts taxes or payroll taxes. In order to implement the revised legislation, the DTIS Business Tax Programming Team will need to accomplish the following objectives:

1. Existing programs need to be changed to handle tax years before 2000, according to the old Business Tax Laws (i.e. calculating taxes based on the higher of the gross receipts tax or the payroll tax), as well as post- year 2000 tax years for payroll tax only. More specifically:

   - Edit checks need to be put into programs to prevent users from data entry error for all online programs.
   - Batch programs for Business Tax processes such as prepayments, second notices, determinations, registration fees and audit pools need to be modified as a result of getting rid of gross receipts taxes.
   - Annual statements scanning programs and databases need to be modified to process tax year 2001 annual statements for payroll tax only.

2. New programs need to be developed and/or modified to implement the tax year 2000 refund process. More specifically, programs will need to be developed for:

   - Identifying eligible refund taxpayers and downloading their tax year 2000 tax data from annual statements, in order to print refund claim affidavits.
   - Calculating refund claim amounts minus outstanding obligations.
   - Adding flags in the Business Tax System database and online screens to identify taxpayers who file for refunds and amended payroll tax annual statements.
   - Modifying online screens to display the refund flags mentioned in 2c.
   - Reporting taxpayers that claimed refunds.
   - Automatically amending statements with gross receipts equal to zero for taxpayers that do not file amended returns.

875 Stevenson Street, Fifth Floor • San Francisco, CA 94103-0948
Office: (415) 554-0800 • Facsimile: (415) 554-4733

3. Provide adhoc management reports to support the refund process and modify existing adhoc reports.

The time estimate for this Business Tax System modification and refund process is 2,418 hours. The cost estimate based on $91.42 per hour is $221,053.56.

Should you have further questions, please do not hesitate to contact me. Thank you.

Sincerely,

Serena Wong

cc: Erich Seamon

Items 8 and 9 - Files 01-0512 and 01-0513

Items:

Item 8, File 01-0512 is a resolution providing for the issuance of not to exceed $69,060,000 aggregate principal amount of City and County of San Francisco Settlement Obligation Bonds, Series 2001 (Business Tax Judgment); authorizing the execution, authentication and registration of said bonds; providing for an annual appropriation to pay the principal and interest thereof; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts relating thereto; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.

Item 9, File 01-0513 resolution authorizing and directing the sale of not to exceed $69,060,000 in City and County of San Francisco Settlement Obligation Bonds, Series 2001 (Business Tax Judgment); prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts relating thereto; approving the forms of the Official Notice of Sale and the Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form and execution of the Official Statement relating thereto; approving the form of the Continuing Disclosure Certificate; approving modifications to the documents approved herein; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.

Amount of Bond Issuance: $69,060,000

Source of Funds and Amount of Debt Service

Payment of debt service on the Settlement Obligation Bonds would be a General Fund obligation. The annual debt service over nine years and seven and one half months would be approximately $7,504,250 in the first year and an average of $8,943,666 annually for the remaining term of the bond issue. Total debt service (from August 1, 2001 through March 15, 2011) is estimated to total $87,997,250.

Description: Over 200 businesses have filed lawsuits or claims against the City alleging that the City's business tax is unconstitutional. The Finance Committee is now considering a proposal to settle a number, but not all, of those lawsuits and claims under Item 10, File 01-0437, also being considered by the Finance Committee at the meeting of March 28, 2001. Item 10 is a proposed ordinance that, if approved, would authorize settlement of certain Business Tax lawsuits against the City, by means of binding settlement offers in the total amount of $64,909,788 plus accrued interest. If that proposed ordinance is approved and the settlement offers are accepted by the plaintiffs, final judgments would be entered against the City and the City would be obligated to pay the settlement of $64,909,788 plus interest.

$493,472 of the total settlement amount of $64,909,788 would be paid from a reserve for litigation. Interest, under the terms of the proposed settlements, would accrue at rates of seven percent simple interest on $54,887,110 of the total settlement amount and the lesser of either eight percent or the rate of return for the preceding six months on the Treasurer's pooled investment funds, which is currently 6.05 percent, for the balance of $9,529,206.

The subject proposed resolutions (File 01-0512 and File 01-0513) would find that it is necessary and desirable to issue and sell bonds of the City to be designated "City and County of San Francisco Settlement Obligation Bonds, Series 2001 (Business Tax Judgment)" in an aggregate principal amount not to exceed $69,060,000, in order to meet the payment obligations of the settlement to be considered under Item 10 on today's calendar. Bonds would be issued at an estimated interest rate of five percent, representing substantial savings over the interest rates that would have to be paid under the terms of the settlements. According to Ms. Theresa Alvarez, Deputy City Attorney, such bonds would be authorized under Charter Section 9.111 which authorizes the City to issue bonds to refund indebtedness pursuant to the general laws of the State and Government Code Section 53570 which sets forth the procedures for issuing such bonds.

By issuing bonds instead of paying the judgment under the interest accrual provisions of the settlements, the City could amortize the payment of the judgment at an estimated annual interest rate of five percent instead of the rates for accrued interest under the terms of the settlement, thus realizing

significant savings in interest payments. As noted above, interest would accrue at rates of seven percent simple interest on $54,887,110 of the total settlement amount of $64,909,788 and the lesser of either eight percent or the rate of return for the preceding six months on the Treasurer's pooled investment funds (currently 6.05 percent) for the balance of $9,529,206 with $493,472 being paid from a Reserve for Litigation.

Sources and Uses of Settlement Obligation Bonds

The Attachment to this report, provided by Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, describes the terms of the proposed Settlement Obligation Bonds.

The table below summarizes the Sources and Uses of the Settlement Obligation Bond issuance.

Sources:	
Par Amount of Bonds	$69,060,000
Total Sources	$69,060,000
Uses:	
Settlement Fund	$67,052,650
Underwriter's Discount (0.5%)	345,300
Costs of Issuance	279,000
Original Issue Discount (2.0%)	1,381,200
Rounding	1,850
Total Uses	$69,060,000

The Settlement Fund amount shown in the table above is comprised of the following:

Total Settlements	$64,909,788
Amount Paid from Cash	(493,472)
Estimated Accrued Interest	2,636,334
Total Settlement Fund	$67,052,650

The estimated Accrued Interest of $2,636,334 itemized above represents interest on the Settlement Amount of $64,416,316 for the period from January 1, 2001 through the date of payment, anticipated to occur soon after the sale of the bonds which is expected to occur on August 1, 2001. The January 1, 2001 beginning date for the calculation of accrued interest is dictated by the terms of the proposed settlement ordinance (File 01-0437).

The Cost of Issuance shown in the table above of $279,000 is comprised of the following provided by the Mayor's Office of Public Finance:

Bond Counsel Fees	$ 70,000
City Administrative Fees (Controller, Mayor's Office of Public Finance, City Attorney, Treaurer)	97,500
Financial Advisory Services	51,000
Rating Agency Fees	34,000
Printing/Mailing Posting of Official Statement	16,500
Advertising	5,000
Contingency	5,000
Total	$279,000

Ms. Theresa Alvarez, Deputy City Attorney, states that the City's Bond Counsel, the firm of Jones Hall, was selected by the City Attorney's Office from its bond counsel pool which was selected using a competitive Request for Proposal process. Ms. Hollenbeck reports that Co-Financial Advisors for the City on this proposed bond issuance are the firms of Sperry Capital and Municipal Capital Management. The two firms were selected from the Mayor's Office of Public Finance's financial advisory pool which was established in December of 2000 using a competitive Request for Proposal process.

Annual Debt Service, Total Interest and Principal

According to Ms. Hollenbeck, the Mayor's Office of Public Finance anticipates that the Settlement Obligation Bonds will be sold on July 18, 2001 and that the transaction will close on August 1, 2001. The annual debt service would $7,504,250 in the first year (Fiscal Year 2001-2002) and average $8,943,666 for each fiscal year thereafter through Fiscal Year 2010-2011.

Total debt service over nine years and seven and one half months (from August 1, 2001 through March 15, 2011) is estimated to be $87,997,250 including principal payments of $69,060,000 and total interest payments of $18,937,250.

Recommendation: Approval of the proposed resolutions is a policy matter for the Board of Supervisors.

Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF PUBLIC FINANCE

MEMORANDUM

TO: KEN BRUCE

FROM: SARAH HOLLENBECK

RE: SETTLEMENT OBLIGATION BONDS, SERIES 2001
(BUSINESS TAX JUDGMENT)

DATE: MARCH 21, 2001

This memo is being provided in connection with the proposed resolutions authorizing the issuance and sale of not to exceed $69,060,000 City and County of San Francisco Settlement Obligation Bonds, Series 2001 (Business Tax Judgment).

Background
As you know, an ordinance authorizing the settlement of certain lawsuits and unlitigated business tax claims totaling $64,909,788 plus interest (the "Settlement Ordinance") was introduced at the Board of Supervisors' meeting on March 10, 2001. The proposed issuance of not to exceed $69,060,000 of Settlement Obligation Bonds by the City would provide a mechanism by which to finance that settlement.

Settlement Obligation Bonds, Series 2001
The sources and uses of proceeds of the proposed $69,060,000 of Settlement Obligation Bonds, Series 2001 are as follows:

Sources:	
Par Amount of Bonds	$69,060,000
Total Sources	$69,060,000
Uses:	
Settlement Fund	$67,052,650
Underwriter's Discount (0.5%)	345,300
Costs of Issuance	279,000
Original Issue Discount (2.0%)	1,381,200
Rounding	1,850
Total Uses	$69,060,000

The Settlement Fund amount of $67,052,650 represents $64,416,316.12 in settlements and $2,636,333.88 in interest on those amounts pursuant to the Settlement Ordinance. (The balance of the $64,909,788 in settlements contemplated in the Settlement Ordinance less the $64,416,316.12 to be financed, or $493,471.88, will be paid from cash.) Interest on $54,887,110.22 of the settlements

accrues at 7% simple interest from January 1, 2001 to the date the settlements are paid. On the other $9,529,205.90 of settlements, interest accrues from the effective date of the Settlement Ordinance to the date the settlements are paid at the lesser of (i) 2/3 of one percent per month (equivalent to an annual rate of 8%), or (ii) the average rate of interest earned on the Treasurer's pooled cash for the six-month period preceding the payment of the settlement. Because we do not know what the rate on the Treasurer's pool will be in August when we anticipate paying these settlements, for purposes of sizing the Settlement Fund I have computed the interest on the latter group of settlements at 2/3% per month.

Pursuant to the terms of the proposed resolution authorizing the sale of the Settlement Obligation Bonds, the final maturity of the bonds can be no later than 2016. It is expected, however, that the bonds will be issued with a ten year term, with principal payments beginning in 2002. The current financing schedule anticipates that the bonds would be sold via competitive sale and that the transaction would close in August 2001.

Annual debt service on the bonds, assuming an estimated interest rate of 5.00% based on current market conditions, would be approximately $7.5 million in FY2001-02 and thereafter $8.94 million, with the final payment in FY2010-11. Total debt service is estimated to be approximately $87,997,250.

Co-financial advisors on this project are Sperry Capital and Municipal Capital Management, both of whom were selected from the Mayor's Office of Public Finance's financial advisory pool which was established in December 2000 via an RFP process. Jones Hall is serving as bond counsel on the transaction and was selected by the City Attorney's office.

I hope this information is helpful to you. Please feel free to call me at 554-6240 if you have any questions.

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City and County of San Francisco

Meeting Agenda

Finance Committee

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Wednesday, April 04, 2001 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives.

AGENDA CHANGES

REGULAR AGENDA

1. 010039 **[Airport Lease Agreement Modification for United Airlines, Inc.]**
Resolution approving Lease Modification Number Three for Lease No. 73-0066 between United Airlines, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

1/2/01, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

2/7/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; John Martin, Airport Director; Theodore Lakey, Deputy City Attorney; Gary Franzella, Assistant Deputy Airport Director, Aviation Management, Airport Continued to February 21, 2001.

2/21/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee Speakers: Harvey Rose, Budget Analyst, Peter Nardoza, Deputy Airport Director for Public Affairs.

2. 010052 [Airport Lease Agreement for Plot 6 to United Airlines, Inc.]

Resolution approving lease agreement for Plot 6 between United Airlines, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

1/10/01, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

2/7/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; John Martin, Airport Director; Theodore Lakey, Deputy City Attorney.
Continued to February 21, 2001.

2/21/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Peter Nardoza, Deputy Airport Director for Public Affairs.

3. 010483 [State/Airport Maintenance Agreement]

Resolution approving the final Maintenance Cooperative Agreement as it relates to the SFIA Inbound/Outbound Ramps Project which is by and between the City and County of San Francisco, acting through its Airport Commission, and the State of California. (Airport Commission)

3/12/01, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the April 4, 2001 meeting.

4. 010108 [Fund the development and implementation of Reengineering Plan for the Assessor's Office Efficiency Program]

Ordinance appropriating $726,726 of the General Reserve to fund the implementation of Reengineering Plan, for the Assessor's Office for fiscal year 2000-01. (Assessor-Recorder)

1/17/01, CONTINUED TO CALL OF THE CHAIR. Divided from File 002087.

1/17/01, RECEIVED AND ASSIGNED to Finance and Labor Committee

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

2/21/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Doris Ward, Assessor-Recorder; Debbie Liu, KPMG Consulting; Jim Janette, Assistant Assessor; Rubin Goodman.

5. 010532 [Bicycle Transit Improvements at Cesar Chavez]

Supervisors Maxwell, Ammiano

Resolution approving the Cooperative Agreement between the City and County of San Francisco and the State of California Department of Transportation concerning the construction and financing of a bicycle overcrossing and at-grade pedestrian/bicycle path widening on Highway 101 at Cesar Chavez Street in San Francisco and directing and ratifying certain actions in connection with this Resolution.

3/26/01, RECEIVED AND ASSIGNED to Finance Committee

6. 010316 [2001 Annual Joint Fundraising Drive]

Hearing to consider applications from various agencies to participate in the 2001 Annual Joint Fundraising Drive.

2/13/01, RECEIVED AND ASSIGNED to Finance Committee 2/13/01 - From Mayor's Homelessness Fund
2/16/01 - From Community Health Charities of California
2/20/01 - From Local Independent Charities
2/21/01 - From Earth Share of California
2/22/01 - From Bay Area Black United Fund, Inc
2/23/01 - From United Way
2/23/01 - From San Francisco Youth Fund
2/27/01 - From International Service Agencies
2/28/01 - From Private Industry Council of San Francisco, Inc

7. **010462** **[Special Assistant Employees]**

Supervisor Peskin

Hearing to address the growth of "Special Assistant" employees in the City and County of San Francisco.

3/12/01, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the April 4, 2001 meeting.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceeding begins, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to Committee Clerk, Finance Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, California 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above.

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.42 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

010433 **[Ordinance amendment to increase Consumer Protection License Fees]**

Ordinance amending the San Francisco Municipal Code Business and Tax Regulations Code by amending Sections 35, 120, 248, and 249.1, relating to fees for licenses or permits for inspections by the Department of Public Health. (Public Health Department)

3/7/01, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 4/11/2001

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying. Thus applause and booing are both contrary to Board requirements. The Board does not permit signs to be brought into the meeting or displayed in the room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.ci.sf.ca.us/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are televised on channel 26. For video tape copies and scheduling call (415) 557-4293.

Requests for foreign language translation at a meeting must be received by the Clerk of the Board of Supervisors at least 48 hours before the meeting. For meetings on a Monday or a Tuesday, the request must be made by noon of the last business day of the preceding week.

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

The following services are available when requests are made by 4:00 p.m. of the Friday before the Board meeting:

For American Sign Language interpreters, use of a reader during a meeting, or sound enhancement system, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Clerk of the Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, by phone at (415) 554-7724, by fax at (415) 554-5784 or by email at Donna_Hall@ci.sf.ca.us

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.ci.sf.ca.us/bdsupvrs/sunshine.htm

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 29, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: April 4, 2001 Finance Committee Meeting

Item 1 – File 01-0039

Note: This item was continued by the Finance Committee at its meeting of February 21, 2001.

Department:	Airport
Item:	Resolution approving Lease Modification No. 3 for Lease No. 73-0066 between United Airlines, Inc. and the City, acting by and through its Airport Commission.
Lessor:	City and County of San Francisco
Lessee:	United Airlines, Inc.
Term of Lease:	The subject lease was first approved in 1973 for an initial 20-year term, to expire in 1993, with two 10-year options at the discretion of the lessee.
Right of Renewal:	As noted above, the 20-year lease provided for two 10-year extensions at the discretion of the lessee, for a total lease period of up to 40 years. In 1993, United Airlines exercised its first 10-year extension, which is due to expire in 2003.
Description:	On December 5, 2000 the Airport Commission approved Modification No. 3 of Lease 73-0066 between the Airport and United Airlines, Inc. Under lease 73-0066, United Airlines currently occupies 129.75 acres of land used by

United Airlines for employee parking and its Maintenance Operations Center (MOC) for aircraft maintenance. The subject lease was originally approved in 1973 for an initial term of 20 years, with two 10-year extension options at the discretion of the lessee. According to Ms. Dorothy Schimke of the Airport, in 1993 United Airlines exercised its first ten-year option, which is due to expire on June 30, 2003. The property leased by United Airlines is located at the intersection of San Bruno Avenue and the Bayshore Freeway.

The Airport is currently developing a Multi-Modal Transportation Center, which includes, among other elements, expansion of short-term Parking Lot DD, which is adjacent to the property leased by United Airlines, and the extension of the AirTrain (the Airport light rail system) to the Multi-Modal Transportation Center and Parking Lot DD (see Attachment I, provided by the Airport, for a description of these projects). According to Ms. Schimke, Parking Lot DD currently consists of Airport employee and Airport tenant employee parking. Ms. Schimke advises that Parking Lot DD will be expanded and initially used for additional employee parking, and upon completion of the Multi-Modal Transportation Center, the expanded portion of Parking Lot DD would be converted for long-term public parking. Ms. Schimke advises that in order for the Airport to complete such an expansion, the Airport needs access to Parking Lot DD through a portion of the property currently leased by United Airlines. Under the proposed Modification No. 3 to Lease 73-0066, United Airlines has agreed to relinquish to the Airport 0.74 acres of property. In return, the Airport has agreed to provide United Airlines with additional space of up to 2.61 acres for employee parking, as discussed below.

The proposed transfer of acreage under the subject lease Modification No. 3 would take place in the two following phases:

(1) Ms. Schimke reports that on December 1, 2000, United Airlines relinquished 0.74 of its total 129.75 in leased property back to the Airport, leaving 129.01 acres under the subject lease with United Airlines (see Comment No. 2).

(2) In exchange for relinquishing the 0.74 acres discussed above, the Airport agreed to provide United with 150 additional parking spaces for United Airlines employees that will be added to the lease at a future date, totaling a maximum of 2.61 acres. However, Ms. Schimke advises that the amended lease with the Airport will not include the additional acreage until the Airport completes the Multi-Modal Transportation Center and the AirTrain, in approximately four to six years, as explained in Attachment I to this report. During the interim period, between the time that United Airlines relinquished 0.74 acres of space on December 1, 2000 and the completion of the Multi-Modal Transportation Center and the AirTrain Extension, the Airport has granted United Airlines a month-to-month permit, effective December 1, 2000, for approximately 2.61 acres to accommodate the additional employee parking. Because the guideway for the AirTrain will require use of part of the 2.61 acres, the Airport will not be able to determine the exact amount of additional space that will be added to the existing lease until the Multi-Modal Transportation Center and the AirTrain are completed. Therefore, proposed lease Modification No. 3 states that the Airport and United Airlines agree to expand the existing lease "after the Multi-Modal Transportation Center and the AirTrain Extension are completely designed and constructed...without the requirement of formal amendment to the Lease or the approval of any party...as to the dimensions and configuration of such space."

Rent paid by United Airlines to the Airport:

Rent for the additional space to be charged by the Airport to United Airlines will be at the same rate of $35,879.50 per acre charged for the existing lease, both when the space is under permit and after it is added to the lease. The rate of $35,879.50 first became effective in 1998, according to Ms. Schimke.

Ms. Schimke advises that when the first 10-year lease extension with United Airlines was negotiated in 1993, United Airlines and the Airport agreed to an annual rent of $32,617.73 per acre for the first five years of the 10-year extension, with one increase of $3,261.77 to an annual rent of $35,879.50, effective July 1, 1998, for the remaining five years of the 10-year extension, expiring on June 30, 2003.

Therefore, during the first 10-year extension between 1993 and 2003, the rent charged to United Airlines will have increased by only approximately 10 percent, or by approximately an average of one percent per year.

Under the proposed lease Modification No. 3, the exchange in space would result in a maximum net increase of 1.87 acres used by United Airlines in this location (the 2.61 acres in new parking for United Airlines employees, less the 0.74 acres relinquished back from United Airlines to the Airport).

Permit:

According to Ms. Schimke, the month-to-month permit granted to United Airlines for the 2.61 acres allows the Airport to modify or terminate the permit with 30-days notice. Ms. Schimke advises that since the Airport must use portions of the 2.61 acres under permit to United Airlines for construction of the AirTrain extension, the Airport will reduce the number of acres provided to United Airlines under permit as needed.

Compliance with City Laws:

In addition, the proposed lease Modification No. 3 would update the existing lease to reflect changes to the Administrative Code and other City requirements, such as provisions requiring compliance with the ban on tropical hardwoods and virgin redwood, the MacBride Principles related to employment inequity in Northern Ireland, the Non-Discrimination in City Contracts and Equal Benefits Ordinance, and the Minimum Compensation Ordinance.

Comments:

1. As previously noted, the proposed lease modification would ultimately result in a maximum net increase of 1.87 acres of space for United Airlines. The net rent increase that the Airport would receive annually from United Airlines is $67,095 per year, as shown in the table below. However, the increased acreage to be added to the lease will most likely be less than the estimated 1.87 acres since the parking parcel now under permit will be reduced by AirTrain construction as described above. Ms. Schimke advises that the Airport will not add more than 2.61 acres to the lease with United Airlines. The estimated net increased rent of $67,095 to be paid by United to the Airport is shown in the table below. The net increased rent applies immediately to the estimated 2.61 acres provided to United Airlines under a month-to-month permit effective

December 1, 2000, as well as to the final acreage after it is incorporated into the existing lease. As stated previously, Ms. Schimke reports that the Airport expects to complete the Multi-Modal Transportation Center and the AirTrain Extension in approximately four to six years, as stated in Attachment I, provided by the Airport.

	Annual Cost per Acre	Total Acres	Annual Airport Revenues
Existing Lease	$35,879.50	129.75	4,655,365
Space relinquished by United Airlines to the Airport	$35,879.50	(0.74)	(26,550)
Estimated additional space to be leased by United Airlines	$35,879.50	2.61	93,645
New Total		**131.62**	**$4,722,460**
Net Increase		**1.87**	**$67,095**

2. As stated previously, Ms. Schimke advises that on December 1, 2000, United Airlines relinquished 0.74 acres of space leased under the existing contract. In addition, the Airport issued to United Airlines a permit, effective December 1, 2000, to use an additional 2.61 acres for employee parking, at which point United Airlines began paying additional rent to the Airport based upon the additional 2.61 acres. Therefore, the Budget Analyst recommends that the subject resolution be amended to provide for retroactive authorization. Ms. Schimke advises that the permit to United for use of the 2.61 acres will be terminated when the space is formally incorporated into the existing lease.

3. As noted above, United Airlines will be charged rent for the additional 2.61 acres at the same rate of $35,879.50 per acre charged for the existing lease both when the space is under permit and after it is added to the lease. Ms. Schimke advises that the rate of $35,879.50 first became effective July 1, 1998. The Budget Analyst notes that not only has this rent of $35,879.50 per acre not been increased since July 1, 1998, or for 2.5 years, but additionally, over the 10-year lease extension, which expires June 30, 2003, the rental increases to United Airlines in total have

averaged approximately one percent per year over 10 years, or a total increase of $3,261.77, which adjusted the 1993 rent of $32,617.73 per acre to the current rent of $35,879.50 per acre.

Had this rent amount been adjusted upward according to the total 11.24 percent increase in the Consumer Price Index (CPI) between July 1, 1998 and January 2001, the rent would have increased by $4,302.86 to an annual rent of $39,912.35 per acre. Furthermore, the Budget Analyst questions why the Airport does not require that United Airlines pay the Airport an adjusted rent based on current fair market rent for the net additional 1.87 acres to be used by United Airlines (the 2.61 acres in new employee parking for United Airlines, less the 0.74 acres relinquished back by United Airlines to the Airport).

According to Ms. Schimke, the Airport agreed to the proposed exchange of property with United Airlines and the rental rate of $35,879.50 because the 0.74 acres United Airlines has relinquished to the Airport is critical to the completion of the AirTrain Extension and the Multi Modal Center. The Budget Analyst notes, however, that the net additional 1.87 acres provided to United Airlines for employee parking is apparently important to United Airlines since United Airlines has requested the additional land from the Airport. Therefore, the Budget Analyst questions why the Airport does not require United Airlines to pay the current fair market value for the additional land that United will receive and why the rent being charged to United Airlines has only been increased by an average of one percent annually over the 10-year lease extension period, which expires on June 30, 2003.

4. Ms. Schimke also states that the original 1973 lease with United Airlines contains no provisions for annual adjustments in rent during the initial 20-year term of the lease, or during each of the subsequent two 10-year extension periods. As discussed in Comment No. 3 above, the existing lease provides that before each of the 10-year extensions, the Airport and United Airlines will negotiate a revised rent based upon Airport appraisals of the land's fair market value at that time.

5. In response to the Budget Analyst's report, Ms. Schimke advises that the Airport has negotiated the proposed lease

Modification No. 3 to accommodate the Airport. The Airport went to United Airlines with the request for the Airport to take back from United Airlines 0.74 acres of property to which United had absolute rights under its long-term lease, according to Ms. Schimke. The Airport's providing of up to 2.61 acres of Airport property to United Airlines, which would enable United Airlines to provide its employees an additional 150 parking spaces at the same rate of the existing lease, was the 'price' for United Airline's agreement to relinquish the 0.74 acres back to the Airport, according to Ms. Schimke. Ms. Schimke states that the Airport was not in a bargaining position to demand pricing concessions from United as part of this deal. Ms. Schimke reiterates that the 0.74 acres that the Airport will obtain from United Airlines is necessary for the completion of the Airport's Multi-Modal Transportation Center and AirTrain extension (light rail system). In addition to the important public policy goals of the Multi-Modal Transportation Center, according to Ms. Schimke, the Parking Lot DD portion of the project (see Attachment I) has significant revenue implications. Ms. Schimke anticipates that the expansion of Parking Lot DD (the expansion will initially be used for Airport employee parking and Airport tenant employee parking, and eventually for public long-term parking) allowed by the recapture of the 0.74 acres from United Airlines will generate additional parking revenues to the Airport conservatively estimated at $1,017,600 for the first full year of operation, rising to approximately $3 million per year when the lot reaches capacity. Ms. Schimke advises that these parking revenues will increase significantly once the lot converts the Airport employee and Airport tenant employee parking to public long-term parking when the Multi-Modal Transportation Center is completed.

6. Under the terms of the lease, not until the current 10-year lease extension expires on June 30, 2003 will the Airport, in conjunction with the Department of Real Estate, appraise the value of the land and negotiate with United Airlines a revised rent based upon the land's fair market value at that time, as of July 1, 2003.

7. As previously noted, in 1993, under the first 10-year extension, the Airport and United Airlines negotiated an adjusted rent for this first 10-year extension, effective July 1, 1993, to increase the annual rent by $3,261.77, from

$32,617.73 per acre to $35,879.50 per acre annually, effective July 1, 1998. This one and only rent increase represents an average increase of only one percent annually, or a total increase of 10 percent over the 10-year lease extension. This mid-term adjustment was not intended to reflect fair market value at mid-term, according to Ms. Schimke. While the Budget Analyst acknowledges that the 1973 original lease contained no provisions for annual rent adjustments, nothing precludes the Airport from negotiating a rent adjustment at this time, since the Airport is requesting approval from the Board of Supervisors of a proposed new lease Modification No. 3, which would provide United Airlines with 1.87 additional acres of Airport property.

8. At the February 7, 2001 Finance Committee meeting, the Airport Director stated that in negotiating the proposed lease modification with United Airlines, the Airport took into consideration an additional $220,000 for security and related costs that United Airlines reports it would be required to pay to operate the additional 2.61 acres provided under the subject lease modification. According to Mr. Gary Franzella of the Airport, United Airlines reports that the $220,000 in additional costs would result from the need to provide two security guards on the premises, seven days a week, which would require United Airlines to employ six full-time equivalent (FTE) employees.

9. The Finance Committee requested at its February 7, 2001 meeting that the Budget Analyst attempt to determine a fair market value for the 150 parking spaces to be used for United Airlines employee parking in the 2.61 acres of additional space to be provided to United Airlines under the proposed lease modification.

According to the Ms. Schimke, the Airport currently charges $48 per parking space permit, per month, or $576 annually, for comparable space used by airlines for employee parking (parking with no bus service), which the Airport provides to airlines on a per space permit basis. Ms. Schimke advises that this rate is based on the Airport's Rates and Charges for Airlines, which is adjusted and published annually by the Airport. Since the Airport can in some cases rent on average two permits per parking space (since the Airport is open 24 hours per day), the average monthly value of a parking space for airline employees is

$96 per month, according to Mr. Franzella. At this rate of $96 per month, the total value of the 150 subject parking spaces would be $14,400 per month, or $172,800 annually. Under the proposed lease modification, based on the $93,645 rental revenue per year payable by United Airlines to the Airport for the 2.61 acres which provide United Airlines with 150 parking spaces, United Airlines would pay to the Airport an average of approximately $52.03 per month per parking space, or approximately $7,804 per month ($93,645 annually) for the entire 2.61 acres. This $52.03 is approximately $43.97 less per parking space per month ($96 less $52.03) than the average monthly rate of $96 per month per parking space that the Airport is currently charging for airline employee parking. Ms. Schimke advises that in addition to the 150 parking spaces, the subject 2.61 acres includes circulation space for vehicles. Under the subject lease and proposed modification, United Airlines would not be able to reconfigure the parking layout to create additional parking spaces, according to Mr. Franzella.

Furthermore, based on a comparison of parking available in the general vicinity of the Airport, CalTrans currently charges on average $61 (approximately $59 to $63 per month) for leased paved parking spaces approximately the same size as the subject 150 parking spaces to be provided to United Airlines at the Airport[1]), according to information provided to the Budget Analyst by the Division of Real Estate.

In addition, if the Airport were to have to dedicated the 2.61 acre area for public parking use instead of for United Airlines employee parking, which in fact the Airport intends to eventually do in its Parking Lot DD, which is adjacent to the 2.61 acres being provided to United Airlines, then the Airport could have charged its current rate of $15 per day per space[2] for long-term public parking, or approximately $450 per month ($5,400 annually), according to Ms. Schimke. The Airport collects an average net revenue of $222 per parking space per month ($2,664 annually) from long-term public parking, accounting for

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[1] The Real Estate Division reports that CalTrans pays a maximum of $0.20 per square foot of comparable paved parking, which when multiplied by the average Airport-reported 315 square-feet of each of the subject 150 parking spaces, would result in a monthly parking rate of $63.

[2] Ms. Schimke advises that the Airport charges for long-term parking $1 for every 15 minutes, with a maximum daily fee of $15.

operating costs and fluctuations in demand, according to Mr. Franzella. Mr. Franzella advises that the Airport would not have elected to use the subject 2.61 acres for long-term public parking due to the property's location and the investment that would have been required to construct the infrastructure necessary for long-term parking.

A comparison of such parking charges are as follows:

Parking Use	Monthly Rate Charged per Space	Total Annual Rent for 150 Spaces
Proposed Lease Modification, 2.61 acres including 150 parking spaces for the proposed rent being charged to United	$52.03	$93,645
CalTrans Leased Parking Space in Vicinity of Airport (average rent) for 150 parking spaces	$61	$109,800
Comparable Charges by the Airport for Airline Employee Parking for 150 parking space (provided per space, based on two permits each)	$96	$172,800
Long-Term Airport Public Parking (Approximate Net Revenue for Airport for 150 parking spaces)	$222	$399,600

As shown in the above table:

- Based on 150 parking spaces, the proposed $93,645 annual rent to be charged to United Airlines under the proposed subject lease modification would be $16,155 less than the approximate annual rent of $109,800 charged by CalTrans for similar parking spaces in the vicinity of the Airport.

- Moreover, according to the Airport, the annual $93,645 rent to be charged to United Airlines under the proposed subject lease modification charged for the subject 150 parking spaces under the proposed lease modification, including additional vehicle circulation space, would be $79,155 less than the $172,800 annual amount charged by the Airport per space (based on an average of 2 permits per space) to airlines for permits for airline employee parking.

BOARD OF SUPERVISORS
BUDGET ANALYST

- Further, the proposed annual rent of $93,645 to be charged by United Airlines under the proposed subject lease modification would be $305,955 less than the estimated $399,600 in net revenue that the Airport earns from 150 long-term parking places, not accounting for any initial investment costs which would be required by the Airport for long-term parking.

10. Based on the data obtained in response to the Finance Committee's question concerning the value of parking spaces included in the proposed lease with United Airlines:

a) under the proposed lease modification the rent charged to United Airlines of $52.03 monthly for each of the 150 parking spaces would be 14.7 percent less than comparable parking in the vicinity of the Airport of approximately $61 monthly for the parking leased by CalTrans and 45.8 percent less than the monthly $96 the Airport currently charges Airlines per employee parking space, based on an average of two permits per space; and,

b) under the proposed lease modification the rent charged to United Airlines of $52.03 monthly for each of the 150 parking spaces would be 76.6 percent less than the average $222 monthly net revenue per space that the Airport currently receives for long-term Airport public parking.

11. The Budget Analyst based the above calculations on the assumption that, under the proposed lease modification, the United Airlines would be provided 150 new parking spaces, based upon information received from the Airport. However, the Airport now advises that United Airlines will receive a net total of 75 new parking spaces (the 150 parking spaces provided in the subject 2.61 acres less 75 parking spaces under the 0.74 acres which United Airlines has agreed to relinquish to the Airport under the proposed lease modification.) According to Mr. Franzella, the Budget Analyst should consider the land value of the subject 2.61 acres based on the value of 75 parking spaces, as opposed to 150 parking spaces. However, if a comparison of 75 parking spaces, instead of 150 were made, the relationship between the individual parking space valued in this analysis would remain identical. Furthermore, we disagree with Mr. Franzella. The analysis by the Budget Analyst addresses

the fair market value of the new space that will now be leased to United Airlines that includes 150 parking spaces.

12. At its meeting of February 7, 2001, the Finance Committee also requested the Airport Director to attempt to renegotiate the proposed lease Modification No. 3 in order to require United Airlines to pay to the Airport Consumer Price Index adjustments and/or fair market value for the subject 2.61 acres.

13. At the request of the Finance Committee, Mr. Gary Franzella of the Airport contacted Ms. Kate Hill, Regional Manager of Corporate Real Estate for United Airlines concerning possible renegotiations of this lease Modification No. 3 to address concerns over adjustments in rent to reflect Consumer Price Index adjustments and/or fair market value for the subject 2.61 acres. In response to the Airport's request, Mr. Peter Nardoza of the Airport states in his memorandum of March 21, 2001 to the Finance Committee pertaining to this item as well as File 01-0052, also being considered by the Finance Committee on its calendar of April 4, 2001 (Attachment II): "United Airlines has responded that it negotiated in good faith with the Airport over the original lease agreements and believes that the terms agreed to provide value commensurate with the complexity, inconvenience, additional costs and Airport required access associated with both properties." Mr. Nardoza's memorandum provides additional details regarding the negotiations between the Airport and United Airlines.

Recommendations:

1. Amend the proposed resolution to provide for retroactive authorization, in accordance with Comment No. 2 above.

2. The Budget Analyst continues to consider approval of the proposed resolution, as amended, to be a policy matter for the Board of Supervisors because under the proposed lease Modification No. 3, the Airport will not receive current fair market value until July 1, 2003 and, as the lease presently states, the Airport does not require United Airlines to pay annual rent adjustments based on annual percentage increases in the Consumer Price Index (CPI) over the entire potential 40-year term of this lease. In addition, the fair market value rates of the parking spaces to be provided to United Airlines under the proposed lease are considerably

less than comparable parking rates that could be received for parking as noted in Comments 10 and 11, above.

BOARD OF SUPERVISORS
BUDGET ANALYST

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

INTEROFFICE MEMORANDUM

TO: Harvey Rose
Budget Analyst

DATE: January 24, 2001

FROM: Bob Rhoades
Deputy Airport Director, Business

SUBJECT: Lot DD Development – MultiModal Transportation Center

Lot DD consists of a 3,218 space parking garage for Airport and tenant employees under Airport control. It also contains a secure 1,190 space, paved parking lot under long-term lease through year 2013 to United Airlines ("UA") for UA employee parking. Access to the employee parking garage is by way of a signalized entry/exit from South Airport Boulevard. Access to the UA employee parking area is from a separate signalized entry/exit from South Airport Boulevard, with an additional (stop sign controlled) exit onto westbound San Bruno Avenue. Shuttle buses transport employees to and from other Airport destinations.

The Airport intends to improve Lot DD as part of a Multi-Modal Transportation Center ("MMTC") development. Under the "Transit First Policy" adopted by the Airport Commission in 1996, the Airport is committed to the development of a ground transportation system which gives priority to alternate transit modes. As part of this commitment, the development of the MMTC at Lot DD would provide a consolidated transportation connection for long-term airport parking, buses, and bicyclists, with access to the terminal complex. The MMTC would achieve a number of transit first objectives, such as: 1) reduce vehicular travel to and congestion on the passenger terminal roadways by providing direct access via AirTrain for remote long-term parking sites; 2) encourage use of public transit by providing a direct connection between a new SamTrans stop and AirTrain; 3) encourage bicycle commuting by providing an extension of the Bay Trail, and new bicycle parking facilities with direct access to the terminal complex via AirTrain.

Lot DD improvements will involve an extension of the AirTrain System (the Airport light rail system); two MMTC AirTrain Stations; construction of a link of the San Francisco Bay Trail; and expansion of long-term parking facilities. The Lot DD improvements are broken into two phases for implementation.

Phase I improvements include: paving an unimproved portion of the lot to add approximately 1,600 additional parking spaces to initially be used by employees; signalization improvements at the intersections of South Airport Boulevard and the I-380 off and on-ramps; construction of the Bay Trail link through Lot DD; and relocation of the parking lot exit onto San Bruno Avenue. A contract is currently underway to make the first phase improvements.

Phase II improvements include: the extension of the AirTrain System; construction of a second parking structure; and the conversion of the employee parking lot and structures into long-term parking facilities.

The only viable vehicular access to the new parking area being developed is through the United Airlines' secure leasehold area. Without such access, the new surface parking area being developed in Phase I would be unusable, making less long-term parking available in the future. To obtain UA agreement to bisect their leasehold the Airport agreed to increase the UA leasehold to accommodate 150 additional parking spaces and to retain the access onto San Bruno Avenue for the UA employees.

Phase I of the project is now underway. The entire MMTC, including phase II improvements, is expected to be complete within four to six years.

SFO

San Francisco International Airport

March 21, 2001

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The Honorable Mark Leno
Chair, Finance Committee
Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

Dear Supervisor Leno:

I'm writing to relay to you the San Francisco International Airport's attempt to bring closure to the United MOC Lease Modification 3 and the United Plot 6 Lease Modification. As stated in previous Finance Committee meetings, both modifications are vital to the completion of the Airport's AirTrain operation – a major public policy and public transportation goal of the Airport's Master Plan.

At the Finance Committee's request, Airport staff contacted United Airlines with a request to restructure the leases to address concerns over fair market value rent on the lease modification to United Maintenance Operations Center (MOC) and a June 2000 CPI adjustment on the Plot 6 lease.

United Airlines has responded that it negotiated in good faith with the Airport over the original lease agreements and believes that the terms agreed to provide value commensurate with the complexity, inconvenience, additional costs and Airport required access associated with both properties.

While this is not the response hoped for to move these items forward, I believe it is important to point out that United has been a willing partner in the Airport's Master Plan expansion from the beginning. When the Airport was finalizing its Master Plan expansion, United held substantial land in their Plot 5 and 6 leases which were needed to accommodate the expansion of aprons and taxiways to support the New International Terminal. In the mid-1990s United agreed to relinquish leased land, as needed, to meet Master Plan requirements. This was done at substantial cost and inconvenience to United. Additionally Airport staff informed United that another parcel of Plot 6 leased land would be necessary to accommodate the AirTrain platform footprint. In the spirit of United's original agreement to accommodate Master Plan objectives, United agreed to retroactive rent at a higher amount pending the final parcel definition, which was solely in the control of the Airport. It should be noted that this proposed lease represents a net increase in rent of $1,076,302 annually (a 211% increase), from the current rent of $508,353 to $1,584,655.76.

Honorable Mark Leno
March 21, 2001
Page 2

With regard to the Lease Modification 3 to the United MOC, the Airport went to United with the request to take back property to which United had absolute rights under its long-term lease until 2013. The Airport's ability to re-acquire this parcel of land in Lot DD has significant revenue implications in its eventual use as long-term parking. The land at issue is anticipated to produce approximately $3 million annually, once the lot reverts to long-term parking for the AirTrain system. Furthermore, this parking revenue is part of the Airport concessions revenue, 15% of which is paid to the City's General Fund.

Finally, let me remind the Committee that the Airport, according to the terms of the Lease and Use Agreement, must operate on a revenue cost recovery basis. What is not collected from leases and concessions is collected from Airline landing fees and terminal rentals.

I urge your approval of the lease modifications.

Very truly yours,

Peter Nardoza
Deputy Airport Director
Public Affairs

cc: Hon. Aaron Peskin
Vice Chair, Finance Committee
Hon. Matt Gonzalez
Member, Finance Committee
Harvey Rose, Budget Analyst

Item 2 - File 01-0052

Note: This item was continued by the Finance Committee at its meeting of February 21, 2001.

Department:	Airport Commission
Item:	Resolution approving a new lease agreement for Plot 6 between United Airlines, Inc. (United) and the City and County of San Francisco, acting by and through its Airport Commission
Lessor:	City and County of San Francisco
Lessee:	United Airlines, Inc.
Total Acreage and Cost Per Month Payable by United Airlines, Inc. to the Airport:	16.04 acres at a monthly rental rate of $132,054.65 for the first and second years of the proposed lease (approximately $8,232.83 per acre per month). For the first and second years, annual rent would total $1,584,655.76 ($98,794 per acre per year).
Purpose of Lease:	United will use the 16.04 acres for an air cargo facility, administrative offices and employee parking.
Amount Payable by United to Airport:	$1,584,655.76 per year for the first and second year of the lease. According to Ms. Dorothy Schimke of the Airport, rent in the amount of $1,584,655.76 per year represents the fair market value of the subject 16.04 acres on June 1, 1999, the retroactive effective date of the proposed lease. Presently, United pays the Airport $508,353 under permit for 19.35 acres (see Comment No. 2). The proposed lease provides for annual increases in the rent based on increases in the Consumer Price Index (CPI). According to the proposed lease, the CPI adjustment would begin on June 1, 2001. As stated in the Attachment provided by the Airport, there will be no CPI adjustment between June 1, 1999 and June 1, 2001, thereby resulting in no CPI adjustment for the second year of the lease between June 1, 2000 and June 1, 2001. The lease requires United Airlines to pay CPI adjustments for the third, fourth and fifth year of the lease. In the sixth year of the proposed lease, the annual rental payment to the Airport will be

determined by a City reappraisal of the land to reestablish the fair market value amount. Subsequent annual increases in the rent will be made based on increases in the CPI through the end of the lease.

Term of Lease: Retroactive to June 1, 1999 to June 30, 2011 (12 years and one month)

Right of Renewal: Lessee has no renewal rights.

Maintenance and Operations: The Lessee, United Airlines, Inc., pays for the costs of all maintenance and operations.

Description: The proposed resolution would authorize a new 12 year and one month lease retroactive to June 1, 1999 of 16.04 acres of a newly configured Plot 6 to accommodate United's air cargo facility, some administrative offices and employee parking. The 16.04 acres of a newly configured Plot 6 would constitute approximately 83 percent of the 19.35 acres of Plots 5 and 6 covered under a month-to-month permit, cancelable on 30-day notice, since the expiration of original leases in 1993. According to Ms. Schimke, United occupied the 16.04 acres from 1993 until June 1, 1999 on a permit basis, instead of under a lease, pursuant to the following conditions contained in a Memorandum of Understanding negotiated in the early 1990s between the Airport and United Airlines:

1) Upon termination of the leases of Plots 5 and 6 in 1993, the leases would be replaced in the interim by month-to-month permits, for the same areas at the same land rental rates as were then in effect, until the land was required for the Airport's Master Plan construction or the functions were accommodated elsewhere;

2) The Airport would offer United a "standard lease" for that portion of the site primarily comprising Plot 6, for continued accommodation of its air cargo facility, offices and related parking;

3) Rent under the interim permit(s) would remain at the same rate as was in effect upon termination of the Plots 5 and 6 leases, and would be adjusted

to fair market value at the time the new leases were in place.

The differences between the proposed lease for 16.04 acres of a newly configured Plot 6 and the existing month-to-month permit for 19.35 acres of Plots 5 and 6 are (1) the permit is cancelable upon 30-days notice, (2) the new lease adjusts the rents as described in Comment No. 2 below, (3) 1.43 acres have been added to result in a total acreage of 16.04 acres for Plot 6, which originally totaled 14.61 acres, and (4) Plot 6 has been slightly reconfigured due to the Airport's Master Plan construction program for Boarding Area "G" and the Air Train (Airport Light Rail System).

The proposed lease would reflect the City's Administrative Code and other City requirements, such as provisions requiring compliance with the ban on tropical hardwoods and virgin redwood, the MacBride Principles related to employment inequity in Northern Ireland, the Non-Discrimination in City Contracts and Equal Benefits Ordinance, and the Minimum Compensation Ordinance.

Comments:

1. The Airport Commission adopted Resolution No. 00-0464 on December 19, 2000, recommending the proposed new lease to United retroactive to June 1, 1999. As shown in Attachment I, the lease is retroactive to June 1, 1999 because in June of 1999, the Airport determined that the Air Train required adjustments that would encroach upon the eastern boundary of the new Plot 6. Finalization of the Plot 6 lease was therefore put off until the Air Train issues were settled and a legal description of the premises could be accurately determined. Ms. Schimke reports that because these adjustments were minimal, United agreed to establishing an effective date of June 1, 1999 for the proposed lease at the then market value rental rate. The final configuration of the parcel incorporating the Air Train land recapture was not defined and resolved between the Airport and United until November of 2000.

2. According to Ms. Schimke, the proposed lease of 16.04 acres includes 14.61 acres of the old Plot 6 and 1.43 acres of the old Plot 5. As previously noted, the annual rent for the first and second year for the 16.04 acres would be

$1,584,655.76, a net annual increase of $1,076,302.76, or an increase of approximately 211.7 percent, retroactive to June 1, 1999, from the permit rent of $508,353 payable by United to the Airport for the 19.35 acres of Plots 5 and 6 covered under permit. The new proposed lease pertaining to 16.04 acres would result in a reduction of 3.31 acres being leased by the Airport to United. Ms. Schimke reports that upon approval of the proposed lease by the Board of Supervisors, United would pay retroactively to the City $1,793,838, representing the difference in the monthly rental income of $89,691.90 for the 20 month period from June 1, 1999, the start of the proposed lease, through January 31, 2001. The net increase in rent payable by United to the Airport for the first two years of the lease is calculated as follows:

	Approximate Annual Cost per Acre	Total Acres	Annual Airport Revenues
Old permit: Plot 5	$42,000	4.07[1]	$170,940
Plot 6	$22,082	15.28	$337,413
Subtotal for permit		19.35	$508,353
Proposed new lease for new Plot 6 (includes a majority of the acreage of the old Plot 6 and a small parcel of the old Plot 5)	$98,794	16.04	$1,584,655.76
Net Increase			$1,076,302.76

3. The Budget Analyst notes that had the rent amount for the second year of the proposed lease between June 1, 2000 and June 1, 2001 been adjusted for the increase in the CPI, then the rent would have increased by 3.77 percent or approximately $59,742 to an annual rent of approximately $1,644,398 instead of the proposed annual rent of $1,584,655.76 for the second year of the proposed lease.

4. Since the lease began on June 1, 1999, the proposed resolution should be amended to provide for retroactive authorization.

[1] Under the proposed lease for the new Plot 6, United will lease 1.43 acres of the 4.07 acres of Plot 5 that were under permit.

5. At the meeting of February 7, 2001 the Finance Committee requested the Airport Director to attempt to renegotiate this proposed new lease in order to require United Airlines to pay a CPI adjustment to the Airport for the second year of this proposed lease between June 1, 2000 and June 1, 2001.

6. At the request of the Finance Committee, Mr. Gary Franzella of the Airport contacted Ms. Kate Hill, Regional Manager of Corporate Real Estate for United Airlines concerning a possible renegotiation of this lease to address concerns over the lack of a CPI adjustment for the second year of the proposed lease between June 1, 2000 and June 1, 2001. In response to the Airport's request, Mr. Peter Nardoza of the Airport states in his memorandum of March 21, 2001 to the Finance Committee pertaining to this item as well as File 01-0039, also being considered by the Finance Committee on its calendar of April 4, 2001 (Attachment II): "United Airlines has responded that it negotiated in good faith with the Airport over the original lease agreements and believes that the terms agreed to provide value commensurate with the complexity, inconvenience, additional costs and Airport required access associated with both properties." Mr. Nardoza's memorandum provides additional details regarding the negotiations between the Airport and United Airlines.

Recommendations:

1. Amend the proposed resolution to provide for retroactive authorization, in accordance with Comment No. 4 above.

2. The Budget Analyst continues to consider approval of the proposed resolution, as amended, to be a policy matter for the Board of Supervisors because there will be no CPI adjustment for rent for the second year of the proposed lease between June 1, 2000 and June 1, 2001. Had the rent amount being charged by the Airport to United Airlines for the second year of the proposed lease been adjusted upward according to the increase in the CPI, the rent payable by United to the Airport would have increased by approximately $59,742 to an annual rent of $1,644,398, instead of the proposed annual rent of $1,584,655.76 as noted in Comment No. 3.

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

TO: Harvey Rose
Budget Analyst

DATE: January 25, 2001

FROM: Bob Rhoades
Deputy Airport Director, Business

SUBJECT: Plot 6 Lease – United Airlines

As discussed in the Budget Analyst's report, the subject lease comprises one element of a complex series of land exchanges required to implement the Airport's Master Plan. The general concept, negotiated in the early 1990's, provided for existing permits to remain in place, at then-current rents, until the land was required for the Master Plan construction or the functions were accommodated elsewhere. It was generally agreed that the Plot 6 lease would not be finalized until the parcel reached its final configuration. It was anticipated that the plot would reach its final configuration when the Airport recaptured a parking parcel in the area now comprising a portion of the new Boarding Area G apron.

The parking parcel was surrendered by United in June 1999; however, at that time it became apparent that the Air Train (Airport light rail system) guideway required adjustments that would encroach upon the eastern boundary of Plot 6. The Plot 6 lease could not be absolutely finalized until the guideway issues were settled and legal description of the premises could be written, based upon formal survey. The issues were finally resolved in late 2000.

Because the guideway adjustments were minimal, the parties agreed that, once approved by the Board of Supervisors, the Plot 6 rent commencement would be retroactive to June 1, 1999. The first CPI adjustment will occur in accordance with lease provisions, once the lease is actually in place (after Board approval). The Base Index for CPI adjustments is defined as "the most recent Consumer Price Index published immediately prior to the Commencement Date," or April 1999. The Comparison Index for the first (June 2001) adjustment will be April 2001, generating a two-year value increase.

San Francisco International Airport

March 21, 2001

P.O. Box 8097
San Francisco CA 94128
Tel 650.821.5000
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www.flysfo.com

The Honorable Mark Leno
Chair, Finance Committee
Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

Dear Supervisor Leno:

I'm writing to relay to you the San Francisco International Airport's attempt to bring closure to the United MOC Lease Modification 3 and the United Plot 6 Lease Modification. As stated in previous Finance Committee meetings, both modifications are vital to the completion of the Airport's AirTrain operation – a major public policy and public transportation goal of the Airport's Master Plan.

At the Finance Committee's request, Airport staff contacted United Airlines with a request to restructure the leases to address concerns over fair market value rent on the lease modification to United Maintenance Operations Center (MOC) and a June 2000 CPI adjustment on the Plot 6 lease.

United Airlines has responded that it negotiated in good faith with the Airport over the original lease agreements and believes that the terms agreed to provide value commensurate with the complexity, inconvenience, additional costs and Airport required access associated with both properties.

While this is not the response hoped for to move these items forward, I believe it is important to point out that United has been a willing partner in the Airport's Master Plan expansion from the beginning. When the Airport was finalizing its Master Plan expansion, United held substantial land in their Plot 5 and 6 leases which were needed to accommodate the expansion of aprons and taxiways to support the New International Terminal. In the mid-1990s United agreed to relinquish leased land, as needed, to meet Master Plan requirements. This was done at substantial cost and inconvenience to United. Additionally Airport staff informed United that another parcel of Plot 6 leased land would be necessary to accommodate the AirTrain platform footprint. In the spirit of United's original agreement to accommodate Master Plan objectives, United agreed to retroactive rent at a higher amount pending the final parcel definition, which was solely in the control of the Airport. It should be noted that this proposed lease represents a net increase in rent of $1,076,302 annually (a 211% increase), from the current rent of $508,353 to $1,584,655.76.

With regard to the Lease Modification 3 to the United MOC, the Airport went to United with the request to take back property to which United had absolute rights under its long-term lease until 2013. The Airport's ability to re-acquire this parcel of land in Lot DD has significant revenue implications in its eventual use as long-term parking. The land at issue is anticipated to produce approximately $3 million annually, once the lot reverts to long-term parking for the AirTrain system. Furthermore, this parking revenue is part of the Airport concessions revenue, 15% of which is paid to the City's General Fund.

Finally, let me remind the Committee that the Airport, according to the terms of the Lease and Use Agreement, must operate on a revenue cost recovery basis. What is not collected from leases and concessions is collected from Airline landing fees and terminal rentals.

I urge your approval of the lease modifications.

Very truly yours,

Peter Nardoza
Deputy Airport Director
Public Affairs

cc: Hon. Aaron Peskin
Vice Chair, Finance Committee
Hon. Matt Gonzalez
Member, Finance Committee
Harvey Rose, Budget Analyst

Item 3 – File 01-0483

Department: Airport

Item: Resolution approving the final Maintenance Cooperative Agreement as it relates to the San Francisco International Airport Inbound/Outbound Ramps Project which is by and between the City and County of San Francisco, acting through its Airport Commission, and the State of California, acting by and through its Department of Transportation (Caltrans).

Amount: $52,136 annually
One-time cost of up to $60,000
One-time cost of an estimated $10,000,000

Source of Funds: Airport's Annual Operating Budget

Description: The proposed resolution would approve a final Maintenance Cooperative Agreement between the Airport and Caltrans for the maintenance responsibilities of the Airport and Caltrans for the three miles of State Freeway Routes 101 and I-380 between Millbrae Avenue and the Route 101/I-380 separation shown in Attachment I. The proposed final Maintenance Cooperative Agreement allocates general maintenance responsibilities to the Airport for improvements within the Airport's right of way and general maintenance responsibilities to Caltrans for maintenance within the State's right of way. The proposed final Maintenance Cooperative Agreement also allocates specific maintenance responsibilities to the Airport and Caltrans within the State's right of way with regard to the following:

1) Jointly owned structure bearing systems[1];
2) Variable Message Signs and customized Airport signs and sign structures (see Comment No. 2);
3) Landscaping along the roadways and within the Airport entrance;
4) Federal Airline Administration red obstruction lights;

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[1] Jointly owned structure bearing systems are jointly owned portions of State Freeway ramps that enter and exit the Airport.

5) Concrete barriers; and
6) Drainage systems.

The final Maintenance Cooperative Agreement also allocates responsibility to the Airport for one-time funding, subject to appropriation approval by the Board of Supervisors, of the following:

1) Up to $60,000 for computerized software to monitor traffic; and
2) An estimated $10,000,000 for future traffic improvement measures, if traffic density conditions specified in the Agreement are met.

On May 6, 1997, the Airport Commission approved the Construction Cooperative Agreement between the Airport and Caltrans for the Inbound/Outbound Ramps Project. Ms. Karen Watson of the Airport reports that this Construction Cooperative Agreement between the Airport and Caltrans was not subject to approval of the Board of Supervisors because (1) the Agreement did not meet the requirements of Charter Section 9.118, which requires Board of Supervisors approval for contracts with an anticipated expenditure of $10,000,000 or having a term in excess of 10 years, and (2) Caltrans only required approval of the Construction Cooperative Agreement by the Airport Commission, not the Board of Supervisors. The Inbound/Outbound Ramps Project was funded by Airport Revenue Bond funds previously appropriated by the Board of Supervisors as part of the Airport's Master Plan construction program, which was approved by the Board of Supervisors in December of 1992. The Inbound/Outbound Ramps Project consists of a new inbound and outbound freeway access ramp system, construction of improvements and modifications to Routes 101 and I-380 between Millbrae Avenue and the Route 101/I-380 separation, seismic retrofit of three existing State Highway structures and construction of a BART crossing of Route 101.

Prior to issuing an encroachment permit[2] to begin construction of the Inbound/Outbound Ramps Project, according to Ms. Watson, Caltrans policy required a Maintenance Cooperative Agreement between the Airport and Caltrans. The Airport and Caltrans agreed that a final Maintenance Cooperative Agreement could not be entered into at that time because (1) the two parties had not yet agreed upon the final right of way alignment, (2) the two parties did not know the extent of landscaping that the project would warrant, (3) the Airport had not completed the construction of the customized Airport signs, and (4) the two parties needed to further clarify the necessary conditions that would warrant a traffic control project. As a result, Caltrans agreed to an interim Maintenance Cooperative Agreement, which was approved by the Airport Commission on May 20, 1997. This interim Maintenance Cooperative Agreement served as the basis for Caltrans issuing an encroachment permit to the Airport to begin construction of the Inbound/Outbound Ramps Project. Ms. Watson advises that the interim Maintenance Cooperative Agreement did not require Board of Supervisors approval because it was an interim agreement to be in effect for less than 10 years, pending completion of the final agreement, which would replace the interim agreement.

The interim Maintenance Cooperative Agreement allocates future maintenance responsibilities to the Airport and Caltrans. However, the maintenance responsibilities would become effective only upon Caltrans' acceptance of the Inbound/Outbound Ramps Project improvements. Caltrans will accept the project improvements upon (1) completion of the construction project, and (2) the execution of the proposed final Maintenance Cooperative Agreement. At such time, general maintenance responsibility for the State's right-of-way will be transferred from the Airport to Caltrans. According to Ms. Watson, this proposed final Maintenance Cooperative Agreement would take the place of the interim Maintenance Cooperative Agreement.

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[2] The State requires that an encroachment permit be issued by the State to a contractor or developer before they do work inside of State property.

To date, according to Ms. Watson, no maintenance costs have been incurred by the Airport's operating budget under the interim Maintenance Cooperative Agreement. Ms. Watson reports that any maintenance costs incurred by the Airport, since the interim Maintenance Cooperative Agreement was approved through the date this proposed final Maintenance Cooperative Agreement is executed, anticipated to be July 1, 2001, have been and will be borne by the Airport as a routine part of the construction contractor's budget. The project budget for the Inbound/Outbound Ramps Project is funded from Airport Revenue Bond funds previously appropriated by the Board of Supervisors. Ms. Watson reports that the Inbound/Outbound Ramps Project is expected to be completed by July 1, 2001. According to Ms. Watson, Caltrans will not reimburse the City for maintenance costs incurred up to the date when the Agreement is executed because it is Caltrans policy that the permittee doing work within Caltrans' right of way is responsible for maintaining that section of highway until Caltrans accepts the improvements. The Airport and Caltrans agreed to these conditions under the Construction Cooperative Agreement. Ms. Watson reports that the Airport is unable to estimate maintenance costs incurred to date because such maintenance costs are a routine part of construction and are not separately identified in the $94,000,000 construction budget for the Project.

Budget:

The summary budget, provided by the Airport, for the annual costs associated with the proposed final Maintenance Cooperative Agreement is as follows:

Variable Message Sign/Customized Airport Sign Structures – Electrical Maintenance (See Comment No. 3)	$2,000
Variable Message Sign/Customized Airport Sign Structures – Structural Maintenance (See Comment No. 3)	As needed
Signal and Lighting Maintenance Reimbursement to Caltrans	2,500
Concrete Barriers Maintenance (See Comment No. 4)	As Needed
Replacement Parts for Red Obstruction Lights	500
Landscaping Maintenance (estimated cost for work done by Airport personnel)	46,136
Drainage Pipe Maintenance	1,000
TOTAL ANNUAL MAINTENANCE COSTS	**$52,136**

Attachment II, provided by the Airport, provides additional details for the summary budget above. According to Ms. Watson, the Airport estimates that on July 1, 2001, maintenance costs will begin to be incurred under the proposed final Maintenance Cooperative Agreement. Ms. Watson reports that all Airport maintenance costs would be paid by the Airport's annual operating budget, subject to appropriation approval by the Board of Supervisors. Ms. Watson further reports that such maintenance costs are included in the Airport's FY 2001-02 operating budget.

Comments:

1. Ms. Watson states in a memorandum dated March 29, 2001 (Attachment III) that the Airport does not have information on the cost to Caltrans to maintain facilities under the State's right of way. However, Ms. Watson further states that Caltrans maintenance costs will total more than $52,136 annually, which is the estimated annual cost to the Airport for the Airport's maintenance commitments under the final Maintenance Cooperative Agreement. As noted previously, the proposed final Maintenance Agreement allocates general maintenance responsibilities to the Airport for improvements within the Airport's right of way and general maintenance responsibilities to Caltrans for maintenance within the

State's right of way. The proposed final Maintenance Cooperative Agreement also allocates specific maintenance responsibilities to the Airport and Caltrans within the State's right of way, as noted previously.

2. One time costs included in the proposed final Maintenance Cooperative Agreement include (1) a maximum of $60,000 to be paid by the Airport to Caltrans for Caltrans to develop software to monitor the level of traffic between the San Bruno Avenue on-ramp and the Route 101 off-ramp, and (2) an estimated $10,000,000 for a traffic control project, including constructing new lanes on the collector-distributor road between the San Bruno Avenue on-ramp and the Route 101 off-ramp, if deemed necessary by traffic performance data to be collected and analyzed by Caltrans.

According to Ms. Watson, this traffic control project is not anticipated to exceed a total cost to the Airport of $10,000,000. The Airport would be financially responsible for this traffic control project because the congestion would be attributable to traffic that the Airport generates. If such a traffic control project were necessary, the lowest, most responsible responsive bidder would be selected by the Airport through a competitive bidding process to perform the design work and construction of this traffic control project. One-time costs of the traffic control project of an estimated $10,000,000 as well as the one-time cost of up to $60,000 payable by the Airport to Caltrans would be subject to appropriation approval by the Board of Supervisors.

3. The Airport would be responsible for 20 customized Airport signs, including eight Variable Message Signs (VMS), all on State right of way at the Airport, at an estimated annual cost of $2,000 to the Airport. The customized Airport signs are designed for the Airport and direct motorists from the freeway to Airport destinations. VMSs are electronic display signs located on overhead sign panels. VMSs display messages that the Airport can change remotely by computer. Attachment IV, provided by the Airport, shows the VMS messages that have been approved by Caltrans. Ms. Watson advises that the Airport is currently unable to estimate the annual cost to

maintain the eight VMSs. Such sign maintenance costs for such eight of the 20 signs would be covered by a one-year warranty during FY 2001-02, and would be subject to future Board of Supervisors appropriation approval as part of the Airport's annual operating budget. As a result, as noted in Attachment II, VMS/CAS sign structure maintenance would be provided on an as-needed basis.

4. Ms. Watson advises that concrete barriers would need to be maintained only if there was damage done to the concrete barrier from vehicles driving on Airport roadways. As noted in Attachment II, concrete barrier maintenance would be provided on an as-needed basis.

5. As shown in the summary budget, signal and lighting maintenance reimbursement costs estimated at $2,500 annually would be paid to Caltrans by the Airport. Such signal and lighting maintenance costs include (1) the Airport's 50 percent share of the total State maintenance cost, including electrical energy costs, for traffic control signals and safety lighting at ramp connections to San Bruno Avenue, and (2) the Airport's reimbursement to Caltrans for electrical maintenance of two of the customized Airport sign structures because lighting on these two sign structures are powered by electricity from a State power source instead of an Airport power source.

Recommendation: Approve the proposed resolution.

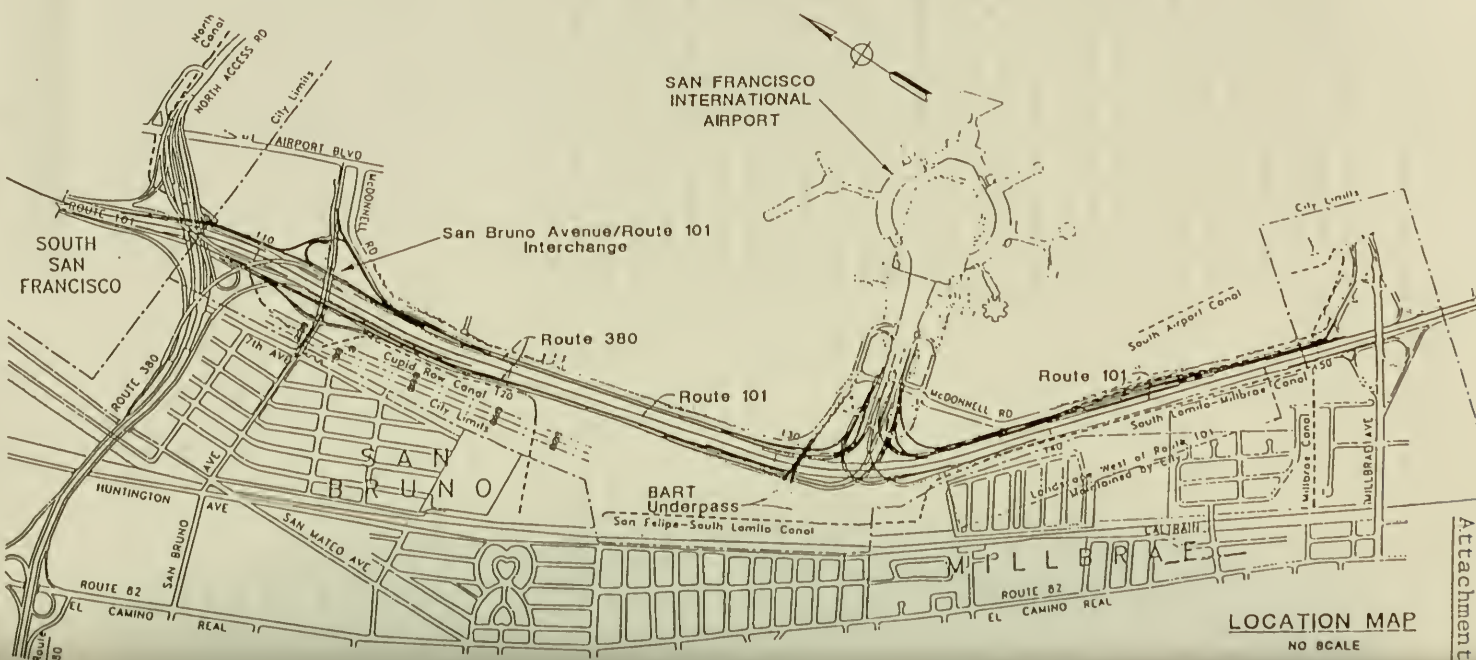
Attachment

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

FREEWAY MAINTENANCE AGREEMENT
with the
CITY and COUNTY of SAN FRANCISCO

04	SM	101	17.9/R20.8	
04	SM	380	6.0/7.5	

The State of California or its officers or agents shall not be responsible for the accuracy or completeness of electronic copies of this plan sheet



LOCATION MAP
NO SCALE

AIRPORT FINANCIAL COMMITTMENT IN CALTRANS MAINTENANCE AGREEMENT

ANNUAL COST ITEM	ESTIMATED COST
VMS/CAS Sign Structures - Electrical Maint.	2,000
VMS/CAS Sign Structures - Structural Maint.	As Needed
Signal & Lighting Maintenance Reimbursement	2,500
Concrete Barriers Maintenance	As Needed
Replacement Parts for Red Obstruction Lights	500
Landscaping Maintenance	46,136
Drainage Pipe Maintenance	1,000
Annual Total	52,136
POTENTIAL ONE TIME COST ITEMS	
Monitoring Software Development	60,000
C/D Roadway Improvements	10,000,000

AIRPORT COMMISSION

SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

March 29, 2001

TO: Budget Analyst

KGW

FROM: Karen G. Watson

SUBJECT: Final Maintenance Cooperative Agreement - Caltrans Cost

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The final Maintenance Cooperative Agreement covers a three mile section of Route 101 and a half mile section of Route 380 in which the Airport was permitted by Caltrans to construct facilities necessary to access Airport Master Plan improvements. Under the Maintenace Cooperative Agreement the Airport would be required to maintain only those improvements within the State right-of-way that were specially requested by the Airport, for Airport users. The vast majority of the improvements within the State right-of-way serve not only the Airport but other freeway users and will be maintained by Caltrans.

We have been unable to obtain overall maintenance estimates from Caltrans for their facilities. However, it is obvious that the cost to Caltrans for maintenance on these sections of freeway will far exceed the Airport's minor maintenance commitment under the Maintenance Cooperative Agreement.

If you have any questions, please contact me at 650-821-5037.

cc: Bob Rhoades
Tom Kardos
Peter Nardoza

EXHIBIT C

Approved VMS Messages

PARKING
GARAGE OPEN, GARAGE FULL
PARKING OPEN, PARKING FULL
CAUTION...SLOW
CAUTION...PREPARE TO STOP.

Additional Parking Messages or Garage Closure Scenarios
DAILY PARKING
PARKING
FULL
PARKING >>>
GARAGE OPEN

Additional Messages Needed for Ramp Closure Scenarios
RAMP CLOSED AHEAD
RAMP CLOSED
MCDONNELL ROAD
INTL DETOUR
USE MCDONNEL (sic)
<<< DETOUR
ACCIDENT AHEAD
PREPARE TO STOP

Additional Messages Needed for Construction Closure Scenari
ROAD WORK AHEAD
1500 FT. (ETC.)
DETOUR AHEAD
RIGHT LANE...CLOSED AHEAD (or LEFT)
LANE CLOSED AHEAD
FLAGGER AHEAD
PREPARE TO STOP

Sheet 1. of 1

Source: Airport

Item 4 - File 01-0108

Note: This was continued by the Finance Committee at its meeting of February 21, 2001.

Department: Assessor-Recorder's Office

Item: Ordinance appropriating $726,726 from the General Fund Reserve to fund a contract with KPMG to design and implement a reengineering plan for the Assessor-Recorder's Office for Fiscal Year 2000-01

Amount: $726,726

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation for $726,726 is for the purpose of expanding an existing $400,000 contract with KPMG to develop and implement a reengineering plan, and assist in reducing the Department's backlog in the processing of deeds for a total contract cost of $1,126,726, for the Assessor-Recorder's Office for Fiscal Year 2000-01. This reengineering plan analyzes the department's work processes in order to identify changes the department must make to run more effectively. Ms. Onyemem advises that the Assessor-Recorder's Office originally contracted with KPMG, in consultation with the Mayor's and Controller's Offices, in June of 2000 to improve efficiencies in the department. KPMG agreed to identify and re-engineer process inefficiencies, conduct a training needs assessment, provide necessary training, improve customer service and help the department transition into a new computer system. The Assessor-Recorder's Office included $400,000 in its FY 2000-01 budget for this KPMG contract. Ms. Onyemem advises that the Assessor-Recorder's Office negotiated with the Controller's Office to include this $400,000 contract within a larger City contract with KPMG (discussed further in Comment No. 3 below).

According to Ms. Onyemem, in September of 2000, and again in October of 2000, the Assessor-Recorder's Office

requested that KPMG revise and expand the scope of its work plan in the three ways listed below. The Budget Analyst notes that the Assessor-Recorder's Office did have authority to request from KPMG proposals for expanding the scope of the existing $400,000 contract. However, the Assessor-Recorder's Office did not have the authority to finalize the expanded contract discussed below without first obtaining approval from the Board of Supervisors of this subject additional appropriation of $726,726.

As reported to the Finance and Labor Committee on January 17, 2001, this request of $726,726 was for the following three KPMG projects:

(1) After KPMG and the Assessor-Recorder's Office agreed to the terms of the original $400,000 contract, in September of 2000 the Assessor-Recorder's Office directed KPMG to help manage and facilitate the reduction of the department's backlog in processing deeds, a priority for the Assessor-Recorder's Office. The proposed expanded work plan would expand the original contract by $207,926 to reduce the Assessor-Recorder's backlog in processing deeds.

(2) KPMG also agreed to expand the scope of its contract with the Assessor-Recorder's Office at a cost of $172,664 for the expanded scope management plan. This expanded scope focuses on developing a new management strategy and reorganizing the department.

(3) Finally, KPMG was to implement a reengineering plan for the Assessor-Recorder at a cost of $346,136.

These three component costs of (a) $207,926, (b) $172,664 and (c) $346,136 totaled $726,726, the subject of this request and together with KPMG's existing contract of $400,000 to assist the Assessor, the total contract with KPMG would have been $1,126,726.

A summary budget for the total originally proposed contract costs of $1,126,726 with KPMG were as follows:

SUMMARY	
Reengineering Plan	
Original Budget	$400,000
Expanded Scope/Deed Backlog	207,926*
Revised Subtotal	$607,926
Expanded Scope/Management Plan	172,664*
Implementation of Reengineering Plan	346,136*
Total Contract Costs	**$1,126,726**

*Total of $726,726, which is the subject of this request.

As shown in the table on the following page, the hourly rage being charged by KPMG ranges from $121.28 to $281.14.

Budget for Reengineering Plan: The budget for the originally proposed $1,126,726 contract with KPMG, including the subject $726,726 supplemental appropriation, is as follows:

Contract with KPMG	Hourly Rate	Number of Hours	Total
Reengineering Plan			
Professional Fees			
Managing Director	$281.14	32	8,997
Project Manager	$165.38	418	69,129
Senior Consultants	$148.84	408	60,727
Consultants	$148.84	492	73,229
Analysts	$148.84	504	75,016
Sub-contractor	$121.28	36	4,366
Subtotal Professional Fees		1,890	$291,464
Deed Backlog Completion			
Professional Fees			
Managing Director	$281.14	8	2,249
Project Manager	$165.38	422	69,790
Senior Consultants	$148.84	904	134,551
Analysts	$148.84	144	21,433
Subtotal Professional Fees		1,478	$228,023
Total Professional Fees		3,368	519,487
KPMG's Other Expenses*			88,439
**Subtotal Reengineering/Backlog		3,368	$607,926
Expanded Scope/Management Plan			
Professional Fees			
Managing Director	$281.14	240	$67,474
Project Manager	$165.38	320	52,922
Senior Consultants	$148.84	200	29,768
Subtotal Professional Fees		760	$150,164
KPMG's Other Expenses			22,500
**Subtotal Management Plan		760	$172,664
Estimates for Implementation of Reengineering Plan			
Professional Fees			
Managing Director	$281.14	200	$56,228
Project Manager	$165.38	400	66,152
Senior Consultants	$148.84	400	59,536
Analysts	$148.84	800	119,072
Subtotal Professional Fees		1,800	$300,988
KPMG's Other Expenses			45,148
Subtotal Implementation Estimates		1,800	$346,136
Total KPMG Contract		5,928	$1,126,726
Less $400,000 included in FY 2000-01 Budget			(400,000)
Total Supplemental Appropriation			$726,726

* Other Expenses include mileage, parking, meals and housing.
** Already expended or incurred (See Comment No. 1 below).

Comments on Reengineering Plan:

1. Of this total subject request of $726,726, according to Ms. Onyemem, KPMG has completed its work and incurred expenses for the first two components of this subject request, namely $207,926 for reducing the Assessor's backlog in processing deeds, and $172,664 for the expanded scope management plan. Therefore of this total subject request of $726,726 KPMG has already incurred expenditures of $380,590.

2. The Budget Analyst notes that the Assessor's Office has incurred these additional costs of $380,590 without first obtaining prior appropriation approval by the Board of Supervisors. The Assessor-Recorder's Office did not have the authority to finalize an expanded contract with KPMG for such additional expenditures without first obtaining prior appropriation approval by the Board of Supervisors. Therefore, the Budget Analyst recommends that the proposed ordinance be amended to provide for retroactive authorization.

3. According to Ms. Onyemem, the Assessors Office negotiated with the Controller's Office to include the original $400,000 contract with KPMG within a larger City contract with KPMG in order to begin a reengineering of the department's business practices as soon as possible. According to Mr. Hymel of the Controller's Office, additional services being performed by KPMG are being done under the Controller's City-wide audit contract with KPMG. Mr. Hymel advises that this contract, which was competitively bid and approved by the Civil Service Commission in May of 1999, allows the City to contract with KPMG for as needed auditing and accounting services. The contract with KPMG is a three-year contract with two one-year renewal options. Mr. Hymel advises that the original KPMG contractual services for the Assessor-Recorder is limited to $400,000, which was included in the FY 2000-2001 Assessor-Recorder budget and did not include this subject supplemental appropriation request of $726,726 of which KPMG has already incurred expenditures totaling $380,590.

4. At its January 17, 2001 meeting, the Finance and Labor Committee requested that the Assessor-Recorder attempt to reduce the contractual services costs with KPMG and instead complete some of the contract work in-house. In response to this request, at the Finance Committee's February 21, 2001 meeting, the Assessor-Recorder proposed that a portion of the third component of KPMG's work, namely the Implementation of the Reengineering Plan, be accomplished on an in-house basis by staff of the Assessor-Recorder's Office. Having the Assessor-Recorder's Office complete a portion of the implementation plan itself, as opposed to hiring KPMG to complete the work, would reduce KPMG's fees for implementation by $192,592, from $346,136 to $153,544, as follows:

(a) Development of Duties and Responsibilities Documents and Desk Procedures	$100,285
(b) Implementation of Reclassifications for Appraisers and Clerks	39,300
(c) Related expenses	13,959
Total	$153,544

The details of this reduced amount of $153,544 is shown in Attachment I provided by the Assessor-Recorder.

5. In addition, since the Finance Committee meeting of February 21, 2001, the Chair of the Finance Committee met with KPMG officials. As a result of such meetings, as shown in Attachment II, in a memorandum of March 23, 2001 from the Managing Director of KPMG to the Chair of the Finance Committee, the Managing Director of KPMG wrote, "In recognition of our ongoing business relationship with the City and County, and the unique circumstances that KPMG Consulting and the Assessor's Office encountered in this project, we would like to offer a $75,000 reduction in our project cost." This $75,000 reduction would reduce the $380,590 in fees owed to KPMG by the Assessor-Recorder's Office for services

already provided (discussed in Comment No.1), for a revised amount of $305,590.

Therefore, the total proposed supplemental appropriation should be reduced by $267,592 ($192,592 plus $75,000), from $726,726 to $459,134 as follows:

Revised KPMG Fees	Amount
Fees owed by Assessor-Recorder's Office for services already provided	$380,590
Reduction in Fees owed to KPMG	(75,000)
Subtotal	305,590
Fees for Implementation of Reengineering Plan	346,136
Reduction in KPMG's Services because of work to be done in-house by Assessor-Recorder instead of contracting with KPMG	(192,592)
Subtotal	$153,544
Total Revised Fees to be Paid to KPMG	**$459,134**

Recommendations:

1. Reduce the proposed supplemental appropriation by $267,592 from $726,726 to $459,134, in accordance with Comment No. 5 above.

2. Amend the proposed ordinance to provide for retroactive authorization for costs previously incurred, without first obtaining prior appropriation approval from the Board of Supervisors in accordance with Comment No. 2 above.

3. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors because the Assessor-Recorder's Office did not have the authority to incur additional costs of $380,590 without first obtaining prior appropriation approval from the Board of Supervisors. However as previously stated, it should be noted that KPMG has agreed to reduce such fees to the City by $75,000 as a result of its meeting with the Chair of the Finance Committee.

BOARD OF SUPERVISORS
BUDGET ANALYST

Attachment

Contract with KPMG	Hourly Rate	Number of Hours	Total
Revised Estimates for Implementation of Reengineering Plan Components			
Professional Fees			
Managing Director	$281.14	22	$6,186
Project Manager	$165.38	344	56,892
Senior Consultants	$148.84	314	46,738
Analysts	$148.84	200	29,769
Subtotal Professional Fees		880	$139,585
KPMG Other Expenses at 10% of Professional Fees			13,959
Total-Implementation Estimates		880	$ 153,544

Source: Assessor-Recorder's Office

KPMG Consulting

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March 23, 2001

Supervisor Mark Leno
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Supervisor Leno:

I appreciated the opportunity to meet with you and Assessor Ward on Wednesday, March 21, 2001 to discuss KPMG Consulting's work with the Assessor's Office. As we discussed, KPMG Consulting has assisted the Assessor's Office with eliminating its deed processing backlog, conducting a business process reengineering review and performing a management and organization study.

As a result of the work performed to date, KPMG Consulting has helped the Assessor's Office eliminate a greater than 50,000 deed backlog that built up in the past two years during the implementation of its new automated deed system. This backlog represented more than $200 million in assessed valuation that was placed on this year's tax roll. Based on a conservative estimate, this resulted in more than $2 million in tax revenue for the City and County of San Francisco. Moreover, the elimination of the deed backlog significantly improved the accuracy of the tax bills reviewed by the City and County's property owners.

In recognition of our ongoing business relationship with the City and County, and the unique circumstances that KPMG Consulting and the Assessor's Office encountered in this project, we would like to offer a $75,000 reduction in our project cost.

KPMG Consulting appreciates the dedicated work of the Assessor's Office management and staff in conducting this project. We also value our client relationship with the City and County of San Francisco.

Sincerely,
KPMG Consulting

R.T. O'Neill

Robert T. O'Neill
Managing Director

Item 5 – File 01-0532

Department: Department of Public Works (DPW)
Department of Parking and Traffic (DPT)

Item: Resolution approving the Cooperative Agreement between the City and County of San Francisco and the State of California Department of Transportation (Caltrans) for the construction and financing of a bicycle overcrossing and at-grade pedestrian/bicycle path widening adjacent to Highway 101 at Cesar Chavez Street in San Francisco and directing and ratifying certain actions in connection with this Resolution.

Amount: $3,098,369 (See Comment No. 1)

Source of Funds: State Transportation Improvement Program grant funds

Required Match: None

Description: In December of 1999, the Board of Supervisors authorized the Department of Parking and Traffic (DPT) to accept and expend up to $3,986,000 in State Transportation Improvement Program (STIP) funds in connection with the construction of Cesar Chavez Street improvements, including the construction of bicycle, pedestrian and traffic circulation improvements (File 99-2192). The proposed resolution would approve a Cooperative Agreement between the City, through DPW, and Caltrans for the construction and financing of a bicycle overcrossing and an expansion of an at-grade pedestrian and bicycle path along Cesar Chavez Street, within the Caltrans Highway 101 right-of-way.

Specifically, the proposed project would involve the construction of an approximately 300 foot long and 12 foot wide bicycle overcrossing along the north side of Cesar Chavez Street between Vermont Street and Portrero Avenue. This bicycle overcrossing would include the addition of lighting fixtures and wire mesh fencing along both sides of

the overcrossing. In addition, the proposed project includes the widening to approximately 12 feet of an existing eight foot wide bicycle and pedestrian path on the opposite, south side of Cesar Chavez Street, between Potrero Avenue and Vermont Street. The proposed project would extend under Highway 101 in order to provide a safer path for bicyclists and pedestrians who want to travel east and westbound along Cesar Chavez Street.

In addition, as part of the Art Commission's Art Enrichment Program, the proposed project will include the construction of a metal sculpture depicting Quetzalcoatl, a feathered serpent god of air and water which will be placed at the northeastern entrance to the bicycle overcrossing, near the northbound Highway 101 on-ramp. This sculpture, which was designed and constructed by the neighborhood artist, Mr. Pepe Ozan, will be located eight feet above the ground and will span over and around the bicycle and pedestrian path, forming an entranceway portal.

Under the proposed Cooperative Agreement, DPW would be responsible for planning, designing and constructing the proposed bicycle, pedestrian and transit improvements. In addition, the City would be responsible for maintaining the lighting fixtures, including electrical and energy costs. Caltrans would be responsible for the ongoing maintenance of the remainder of the improvements.

Budget:

Planning	$67,000
Design	250,000
Construction	2,293,369
Construction Contingency (10%)	229,000
Construction Support	245,000
Art Enrichment	$14,000
Total	$3,098,369

The Attachment, provided by Ms. Lesley Wong of DPW provides additional budget details. As shown in the Attachment, DPW staff, with assistance from two consultants provided the Planning and Design work and will provide the Construction Support for

this project. Ms. Wong advises that the two consultants, (1) Biggs Cardosa Associates and (2) AGS- Geotechnical Consultants were selected from a list of as-needed consultants, who are selected each year by DPW through a request for proposal process.

Comments:

1. As discussed above, in 1999, the Board of Supervisors authorized the City to accept and expend up to $3,986,000 of State Transportation Improvement Program funds for the proposed Cesar Chavez bicycle and pedestrian improvement project. However, as shown above, the total projected cost of the proposed project is $3,098,369, or $887,631 less than the up to $3,986,000 of grant funds authorized for this project.

According to Ms. Tina Olson of DPW, the State has programmed up to $3,986,000 of STIP grant funds for this project, however, the City will only receive the amount of funds that are actually expended on this project. Ms. Olson advises that these grant funds are received by the City on a reimbursement basis. Mr. Ed Stewart of the County Transportation Authority advises that any of the up to $3,986,000 of STIP funds remaining at the completion of the project, that are not spent for this project, would not be available for use by the City for any other City project, but instead would be reallocated by the State.

2. Ms. Wong advises that, in September of 2000, the proposed bicycle and pedestrian project was advertised under DPW's competitive bidding process. According to Ms. Wong, both of the bids that were received were rejected because these bids were significantly higher than DPW's estimates. The project was re-advertised in December of 2000. Based on the second bidding process, DPW received two bids, one from Mitchell Engineering for $2,503,442 and one from Valentine Corporation for $2,293,369. Ms. Wong advises that DPW awarded the contract to Valentine Corporation, the low bidder, and a notice to proceed with the

construction work was issued to Valentine Corporation on March 12, 2001.

3. According to Ms. Wong, Caltrans requires that the subject Cooperative Agreement be approved by the Board of Supervisors before Caltrans will issue an encroachment permit for the proposed construction work. According to Ms. Wong, the contractor, Valentine Corporation, cannot begin their construction work within the Highway 101 right-of-way until the contractor receives this encroachment permit from Caltrans.

Ms. Wong advises that once Caltrans issues the encroachment permit to the contractor, the construction will begin. According to Ms. Wong, construction is anticipated to begin by mid-April of 2001 and to be completed in approximately one year, or by the Spring of 2002.

4. The proposed Cooperative Agreement states that the City shall defend, indemnify and hold harmless the State from all project claims against the State and the payment or performance bond by contractors and all other claimants and the proposed Cooperative Agreement also provides for reciprocal City and State indemnifications regarding future claims. Mr. John Malamut of the City Attorney's Office advises that he has reviewed the indemnification provisions in the subject Cooperative Agreement and that these provisions are appropriate for the proposed project.

5. Ms. Olson and Mr. Stewart advise that the $14,000 Art Enrichment project is ineligible to be funded with the subject $3,986,000 of STIP funds. Therefore, DPT and DPW are requesting that the subject resolution be continued for one week, to the Finance Committee Meeting of April 11, 2001, in order to resolve the funding source for the proposed Art Enrichment project.

Recommendation: Continue the proposed resolution to the April 11, 2001 Finance Committee Meeting, as requested by DPT and DPW.

BOARD OF SUPERVISORS
BUDGET ANALYST

Attachment

PROJECT BUDGET

Phase			Amount
Planning			$67,000.00
	DPW - Electrical	$1,000.00	
	DPW- Sts & Hwys	$17,000.00	
	AGS - Geotechnical Consultants	$49,000.00	
Design			$250,000.00
	DPW - Electrical	$30,000.00	
	DPW - Sts & Hwys	$62,000.00	
	DPW - Landscape Architecture	$2,000.00	
	DPW - Structural	$14,600.00	
	Biggs Cardosa Associates	$129,000.00	
	AGS - Geotechnical Consultants	$1,700.00	
	DPW - BCM	$10,700.00	
Construction			$2,293,369.00
ConstructionContingency			$229,000
Construction Support			$245,000.00
	DPW - Electrical	$6,000.00	
	DPW - Sts & Hwys	$40,000.00	
	DPW - Structural	$1,400.00	
	Biggs Cardosa Associates	$44,000.00	
	DPW - BCM	$153,600.00	
Art Enrichment			$14,000.00
	Total:		$3,098,369.00

Source: Department of Public Works

Item 6 - File 01-0316

Department: Department of Administrative Services (DAS)

Item: Hearing to consider applications from various agencies to participate in the City's 2001 Joint Annual Fundraising Drive.

Description: Section 16.93-3 of the Administrative Code requires the Department of Administrative Services (a) to review all applications from charitable organizations which request to participate in the City's Annual Joint Fundraising Drive, and (b) to recommend to the Board of Supervisors charitable organizations which qualify to participate in the City's Annual Joint Fundraising Drive in accordance with criteria set forth in Section 16.93-2 of the Administrative Code.

The Department of Administrative Services reports that it has reviewed the applications from nine charitable organizations that have applied to participate in the City's 2001 Annual Joint Fundraising Drive in accordance with the criteria delineated in Section 16.93-2 of the Administrative Code. The Department of Administrative Services reports that all nine charitable organizations comply with the Section 16.93-2 criteria and recommends that all nine organizations be approved to participate in the City's 2001 Annual Joint Fundraising Drive. The summary of findings reported by the Department of Administrative Services is contained in the Attachment to this report.

Section 16.93-4 of the Administrative Code also requires that the Board of Supervisors designate, by resolution, prior to May 1, 2001, those agencies that qualify to participate in the 2001 Annual Joint Fundraising Drive. The nine charitable organizations that have applied and been recommended by the Department of Administrative Services to participate in the City's 2001 Annual Joint Fundraising Drive are as follows:

- Bay Area Black United Fund, Inc.
- Community Health Charities
- Earth Share of California (Environmental Federation of California)
- Local Independent Charities
- International Service Agencies
- Mayor's Fund for the Homeless

- San Francisco Youth Fund
- United Way of the Bay Area
- Mayor's Youth Employment for the Summer Fund (for which the Private Industry Council of San Francisco, Inc. serves as fiscal agent)

Comments:

1. Section 16.93-1 of the San Francisco Administrative Code states that deductions from employee pay warrants for charitable organizations shall only be withheld based upon authorizations made by employees in the Annual Joint Fundraising Drive.

2. According to Ms. Jill Lerner of DAS, all of the organizations listed above participated in the City's 2000 Annual Joint Fundraising Drive.

Recommendation: Prepare in and report out a resolution designating the nine qualifying charitable organizations, as recommended by the Department of Administrative Services, to participate in the City's 2001 Annual Joint Fundraising Drive.

SUMMARY OF FINDINGS

2001 Review of Applications
To Participate in Annual Fundraising Drive

SUMMARY OF METHODOLOGY AND FINDINGS

Our review consisted of an examination of the materials provided in File 010316 and telephone conversations with representatives from applicant organizations. We were advised by Deputy City Attorney Ted Lakey that telephone inquiries were appropriate to clarify information supplied by the applicants. This is the same method we have used in past years to prepare this report to the Board of Supervisors.

All nine organizations that applied for participation in the 2001 Joint Fundraising Drive were in compliance with the criteria established by the Board of Supervisors as delineated in the Administrative Code.

CRITERIA

Following is a list of the criteria established by the Board of Supervisors and information as to how the applicants met each requirement. New legislation enacted in 1997 includes in the annual joint fund-raising drive any Mayor's fund which is created to further social causes. Under Administrative Code Section 16.93-2, only subsections (b), (c) and (e) apply to the Mayor's funds. All other agencies must satisfy subsections (a) through (e).

Criterion A: Be a federated agency representing ten (10) or more charitable organizations of which 50 percent shall represent organizations located in the counties of San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa and Marin.

According to the City Attorney, "located in the counties" may be defined as having offices, fundraising or otherwise doing business in those counties.

1. Bay Area Black United Fund, Inc.

   Bay Area Black United Fund, Inc. represents 38 agencies, all of which are located in the Bay Area.

2. Community Health Charities

   Community Health Charities represents more than 45 national health organizations of which 50 percent or more are located in the Bay Area.

3. Earth Share of California (Environmental Federation of California)

Earth Share of California represents 87 organizations of which 50 percent or more are located in the Bay Area.

4. Local Independent Charities (LIC)

Local Independent Charities represents over 150 organizations of which 50 percent or more are located in the Bay Area.

5. International Service Agencies (ISA)

International Service Agencies represents more than 40 charities of which 50 percent or more are located in the Bay Area.

6. United Way of the Bay Area

United Way of the Bay Area represents over 300 organizations, all of which are located in the Bay Area.

Criterion B: The federated agency or Mayor's fund must certify to the Board of Supervisors that the Federal Internal Revenue Service has determined that contributions to all of the represented charitable organizations or Mayor's funds are tax deductible.

Based on consultation in years past with the City Attorney, we have concluded that all the applicants complied with this requirement.

Criterion C: The federated agency must have been in existence with 10 or more qualified charities for at least one year prior to the date of application and provide satisfactory evidence to that effect at the time of filing an application with the Board. Mayor's funds shall submit their most recent financial statement to the Board of Supervisors on an annual basis.

This criterion was met by all agencies.

Criterion D: The federated agency must submit its most recent certified audit at the time of filing an application with the Board.

All agencies provided these documents, as detailed below:

1. Bay Area Black United Fund, Inc. provided a Statement of Financial Position as of December 31, 1999 with an Auditors' Report by Grant & Smith, LLP, dated February 15, 2000.

2. Community Health Charities of California provided financial statements for the year ended June 30, 2000, with an Independent Auditors' Report prepared by Rooney, Ida, Nolt and Ahern, CPAs, dated July 30, 2000.

3. Earth Share of California provided financial statements for the years ending September 30, 1999 and 1998 along with the Auditors' Report by Bregante & Company, LLP, dated January 27, 2000.

4. International Service Agencies provided a statement of financial position for the years ending June 30, 2000 and 1999 with an Independent Auditor's Report by the Lang Group, Chtd., dated August 22, 2000.

5. Local Independent Charities provided financial statements for the years ended April 30, 2000 and 1999 with an Independent Auditors' Report by Maze & Associates Accountancy Corporation, dated November 3, 2000.

6. United Way of the Bay Area provided combined financial statements for the years ended June 30, 2000 and 1999 with a Report of Independent Certified Public Accountants by Grant Thorton, LLP, dated November 17, 2000.

7. Mayor's Homeless Fund, created by ordinance (Administrative Code Section 10.117-33), provided a Statement of Balance dated December 26, 2000.

8. The San Francisco Youth Fund is served by the Every Child Can Learn Foundation as its fiscal agent. The Every Child Can Learn Foundation provided a Statement of Financial Position for the years ending June 30, 1999 and 1998, with an Independent Auditors' Report by Hood & Strong, LLP, dated August 6, 1999.

9. Mayor's Youth Employment for the Summer Fund (YES) is served by the Private Industry Council ("PIC") as its fiscal agent. The PIC submitted audited financial statements for the two year period ended June 30, 1997 with an Independent Auditor's Report by Izabal, Bernaciak & Company, dated June 26, 1998.

Criterion E: Agencies that wish to participate in the Annual Drive are required to submit applications to the Board of Supervisors that include all information that may be relevant to the criteria listed in the Section.

As stated earlier in this report, the City Attorney advised that the applications may be considered complete although clarification may have been necessary to conduct this review.

All applicants provided documentation in their letters of application to the Board of Supervisors or confirmed by telephone that they are in compliance with the requirements of Section 16.93-2 which constitutes "certification."

Therefore, all applicants were in compliance with Criterion E.

Item 7 - File 01-0462

Item: Hearing to address the growth of Special Assistant employees in the City and County of San Francisco.

Description: According to a report by Department of Human Resources presented to the Finance Committee in November of 2000, the Special Assistant series of job codes was adopted by the civil Service Commission in 1993 to consolidate 31 existing job codes into a broad series of generic job codes, and thereby facilitate classification and hiring processes. The series was designed for use by all operating departments to staff special projects or to perform unique functions that are not reflected within the level and scope of existing classes. Such positions are generally Provisional (subject to conversion to regular Civil Service Classifications within three years) or Exempt Appointments. Both provisional and exempt positions can be appointed by the Mayor and Department Heads without holding civil service examinations for these positions subject to budgetary approval of subject positions and appropriation of funding by the Board of Supervisors.

The Budget Analyst has reviewed and summarized data provided by the Controller's Office on the growth of Special Assistant positions over the last five years.

Attachment 1 to this report shows the number of Special Assistant full time equivalent (FTE) positions budgeted, by classification, for December of 1995 and December of 2000. Attachment 1 also compares total salaries for such positions, using December of 2000 rates of pay. Attachment 1 shows the following:

- The total number of Special Assistant FTEs has increased from 243 positions in 1995 to 573 positions in 2000, an increase of 330 positions or 135.8 percent;
- The total salaries for Special Assistant positions, using December of 2000 rates of pay, has increased from $15,651,822 in 1995 to $41,675,592 in 2000, an increase of $26,023,770 or 166.3 percent;
- Average budgeted salaries for Special Assistant positions, using December of 2000 rates of pay, has increased from $64,285 in 1995 to $72,673 in 2000, an increase of 13 percent or $8,388 in average salary per position. The average salary for the 330 additional Special Assistant positions created between December of 1995 and December of 2000 is $78,861.

As can be seen in Attachment 1, the budgeted salary for the Special Assistant positions in December of 2000 ranges from a low of $29,198 to a high of $113,042.

Attachment 2 to this report provides a summary of budgeted Special Assistant full time equivalent FTE positions by Department including the number of positions and salaries (at December of 2000 rates of pay) for December of 1995 and December of 2000, and the changes in positions and changes in salaries for such Special Assistant positions.

The table below provides a summary by Department for Special Assistant budgeted FTE positions as shown in Attachment 2, for the Departments whose salary costs for such Special Assistant positions have increased by amounts greater than $250,000 annually.

Department Title	No. FTE Dec-95	Dec-95 Salaries at Current Pay	No. FTE Dec-00	Dec-2000 Salaries at Current Pay	Change in Positions	Change in Costs
Airport Commission	13	$1,146,085	86	$7,669,130	73	$6,523,045
Mayor	82	5,029,892	138	9,006,740	56	3,976,848
Municipal Transportation Agency	3	277,019	30	2,453,819	27	2,176,800
Business and Economic Development	-	-	28	2,012,998	28	2,012,998
Elections	-	-	14	1,089,643	14	1,089,643
Human Services	4	302,754	17	1,336,131	13	1,033,376
Children, Youth & Their Families	9	466,298	25	1,402,503	16	936,205
Board of Supervisors	3	115,708	20	933,908	17	818,200
Emergency Communications Department	-	-	10	812,061	10	812,061
Administrative Services	34	2,271,427	45	3,034,034	11	762,607
Admin Svcs - Convention Facilities Mgmt	1	59,657	13	810,512	12	750,855
Treasurer/Tax Collector	1	75,865	11	764,587	10	688,722
Department of Public Health	17	1,260,238	24	1,903,933	7	643,695
Controller	3	129,493	11	756,886	8	627,393
Recreation and Park Commission	-	-	9	537,809	9	537,809
Department of Building Inspection	-	-	6	465,118	6	465,118
Port	1	46,197	5	408,330	4	362,133
Department of Public Works	13	934,142	15	1,287,748	2	353,605
Environment	-	-	5	328,767	5	328,767
Parking and Traffic Commission	3	171,406	6	474,787	3	303,381
Aging and Adult Services	-	-	3	263,605	3	263,605
Fire Department	-	-	3	256,114	3	256,114

As can be seen in Attachment 2, the costs for Special Assistant positions in the Airport, Mayor's Office, Municipal Transportation Agency, Department of Business and Economic Development, Department of Elections and Human Services Department have all increased by more than $1,000,000 from December of 1995 to December of 2000 including increased amounts of $6,523,045 for the Airport, $3,976,848 for the Mayor's Office, $2,176,800 for the Municipal Transportation Agency, $2,012,998 for the Department of Business and Economic Development, $1,089,643 for the Department of Elections, and $1,033,376 for the Department of Human Services,

Attachment 3 to this report provides a detailed listing of Special Assistant budgeted FTE positions by Department, again including the number of positions and salaries (at December of 2000 rates of pay) for December of 1995 and December of 2000, and the changes in positions and changes in salaries for such Special Assistant positions.

Comment:

According to Ms. Michelle Modena, Deputy Director of Administrative Services for the Department of Human Resources (DHR), DHR intends to provide a report to the Finance Committee prior to its meeting of April 4, 2000 on the use of Special Assistant positions by City Departments. That report will provide updated information on the following points, according to Ms. Modena:

- The history of the Special Assistants classification;
- The DHR process used to review and recommend Special Assistants; and,
- Types of Special Assistant Appointments (Provisional Appointments for new positions that can only exist for three years pending the creation of new or modified regular civil service classifications, and Exempt Appointments).

Harvey M. Rose

Supervisor Leno
Supervisor Gonzalez
Supervisor Peskin

Clerk of the Board
Controller
Steve Kawa

Attachment 1

Spec.Asst.by.Class

							Salaries at Current Pay Rates			
Class	JobClassTitle	AvgSal Dec-00	Dec-95	Dec-00	Change	Percent change	Dec-95	Dec-00	Change	Percent Change
1360	SPECIAL ASSISTANT I....................	29,198	6.0	1.8	(4)	-70.2%	175,189	52,192	(122,997)	-70.2%
1361	SPECIAL ASSISTANT II....................	34,756	3.0	3.4	0	14.8%	104,028	119,473	15,445	14.8%
1362	SPECIAL ASSISTANT III..................	33,995	11.2	6.0	(5)	-46.4%	380,747	203,972	(176,775)	-46.4%
1363	SPECIAL ASSISTANT IV....................	38,137	2.0	14.9	13	646.3%	76,273	569,189	492,916	646.3%
1364	SPECIAL ASSISTANT V.....................	41,466	6.0	18.5	12	207.5%	248,794	765,041	516,247	207.5%
1365	SPECIAL ASSISTANT VI....................	43,582	14.0	23.2	9	66.3%	608,894	1,012,463	403,569	66.3%
1366	SPECIAL ASSISTANT VII..................	46,197	21.0	28.6	8	36.4%	969,844	1,322,846	353,001	36.4%
1367	SPECIAL ASSISTANT VIII..................	51,506	12.9	37.6	25	192.5%	661,847	1,935,644	1,273,797	192.5%
1368	SPECIAL ASSISTANT IX....................	54,669	23.3	18.6	(5)	-20.3%	1,276,336	1,017,532	(258,804)	-20.3%
1369	SPECIAL ASSISTANT X......................	59,657	4.8	44.2	39	821.6%	286,352	2,639,065	2,352,713	821.6%
1370	SPECIAL ASSISTANT XI....................	65,231	27.5	42.2	15	53.2%	1,795,557	2,751,513	955,956	53.2%
1371	SPECIAL ASSISTANT XII...................	69,819	11.6	25.6	14	120.2%	811,493	1,786,940	975,447	120.2%
1372	SPECIAL ASSISTANT XIII..................	75,865	23.0	84.6	62	267.2%	.1,747,158	6,415,653	4,668,495	267.2%
1373	SPECIAL ASSISTANT XIV...................	82,533	13.0	54.4	41	318.5%	1,072,935	4,489,820	3,416,885	318.5%
1374	SPECIAL ASSISTANT XV....................	90,125	14.0	52.7	39	276.2%	1,261,745	4,746,638	3,484,893	276.2%
1375	SPECIAL ASSISTANT XVI...................	95,893	8.0	40.8	33	409.8%	767,147	3,911,249	3,144,102	409.8%
1376	SPECIAL ASSISTANT XVII..................	105,261	8.0	45.5	37	468.3%	842,086	4,785,419	3,943,333	468.3%
1377	SPECIAL ASSISTANT XVIII.................	113,042	6.0	22.9	17	281.9%	678,254	2,590,082	1,911,828	281.9%
9770	COMMUNITY DEVELOPMENT ASSISTANT.........	45,552	3.0	-	(3)	-100.0%	136,656	-	(136,656)	-100.0%
9772	COMMUNITY DEVELOPMENT SPECIALIST........	57,524	4.8	1.0	(4)	-79.2%	276,117	57,524	(218,593)	-79.2%
9774	SR COMMUNITY DEVELOPMENT SPECIALIST I...	66,581	10.7	4.0	(7)	-62.8%	715,198	266,325	(448,874)	-62.8%
9775	SR COMMUNITY DEVELOPMENT SPECIALIST II..	79,004	6.0	3.0	(3)	-50.0%	474,026	237,013	(237,013)	-50.0%
9776	SUPV COMMUNITY DEVELOPMENT SPECIALIST...	79,196	3.6	-	(4)	-100.0%	285,145	-	(285,145)	-100.0%
			243	573	330	135.5%	$ 15,651,822	$41,675,592	$ 26,023,770	166.3%
	percent increase				*135.5%*				*166.3%*	
	Average Salaries						$ 64,285	$ 72,673	$ 78,861	

Summary by Department

DeptTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec-2000 Salaries at Current Pay	Change in Positions	Change in Costs	% change in Pos	% change in salaries
AIRPORT COMMISSION	13	1,146,085	86	7,669,130	73	6,523,045	562.5%	569.2%
MAYOR	82	5,029,892	138	9,006,740	56	3,976,848	67.5%	79.1%
MUNICIPAL TRANSPORTATION AGENCY	3	277,019	30	2,453,819	27	2,176,800	895.4%	785.8%
BUSINESS AND ECONOMIC DEVELOPMENT	-	-	28	2,012,998	28	2,012,998	-	-
ELECTIONS	-	-	14	1,089,643	14	1,089,643	-	-
HUMAN SERVICES	4	302,754	17	1,336,131	13	1,033,376	332.5%	341.3%
CHILDREN, YOUTH & THEIR FAMILIES	9	466,298	25	1,402,503	16	936,205	177.8%	200.8%
BOARD OF SUPERVISORS	3	115,708	20	933,908	17	818,200	555.0%	707.1%
EMERGENCY COMMUNICATIONS DEPARTMENT	-	-	10	812,061	10	812,061	-	-
ADMINISTRATIVE SERVICES	34	2,271,427	45	3,034,034	11	762,607	30.9%	33.6%
ADMIN SVCS - CONVENTION FACILITIES MGMT	1	59,657	13	810,512	12	750,855	1163.1%	1258.6%
TREASURER/TAX COLLECTOR	1	75,865	11	764,587	10	688,722	1000.0%	907.8%
DEPARTMENT OF PUBLIC HEALTH	17	1,260,238	24	1,903,933	7	643,695	44.3%	51.1%
CONTROLLER	3	129,493	11	756,886	8	627,393	270.6%	484.5%
RECREATION AND PARK COMMISSION	-	-	9	537,809	9	537,809	-	-
DEPARTMENT OF BUILDING INSPECTION	-	-	6	465,118	6	465,118	-	-
PORT	1	46,197	5	408,330	4	362,133	380.0%	783.9%
DEPARTMENT OF PUBLIC WORKS	13	934,142	15	1,287,748	2	353,605	15.4%	37.9%
ENVIRONMENT	-	-	5	328,767	5	328,767	-	-
PARKING AND TRAFFIC COMMISSION	3	171,406	6	474,787	3	303,381	115.4%	177.0%
AGING AND ADULT SERVICES	-	-	3	263,605	3	263,605	-	-
FIRE DEPARTMENT	-	-	3	256,114	3	256,114	-	-
TELECOMMUNICATIONS & INFORMATION SVCS	11	725,887	12	946,323	1	220,436	8.1%	30.4%
ART COMMISSION	-	-	2	171,758	2	171,758	-	-
SHERIFF	-	-	2	155,550	2	155,550	-	-
PUBLIC DEFENDER	-	-	3	133,859	3	133,859	-	-
CHILDREN AND FAMILIES COMMISSION	-	-	2	122,062	2	122,062	-	-
POLICE	-	-	2	119,129	2	119,129	-	-
ADMIN SVCS - DEPT. OF CONSUMER ASSURANCE	-	-	1	105,261	1	105,261	-	-
CHILD SUPPORT SERVICES	-	-	1	82,533	1	82,533	-	-
DISTRICT ATTORNEY	-	-	1	82,533	1	82,533	-	-
HUMAN RESOURCES	7	490,759	7	569,695	(0)	78,936	-6.4%	16.1%
ASSESSOR RECORDER	-	-	1	75,865	1	75,865	-	-
JUVENILE PROBATION	-	-	1	75,865	1	75,865	-	-
DEPARTMENT OF THE STATUS OF WOMEN	-	-	1	65,231	1	65,231	-	-
PUBLIC UTILITIES COMMISSION	2	218,303	3	275,820	1	57,517	49.4%	26.3%
CITY PLANNING	1	54,669	1	95,893	-	41,224	0.0%	75.4%
HUMAN RIGHTS COMMISSION	-	-	1	34,756	1	34,756	-	-
ASIAN ART MUSEUM	1	43,582	1	54,669	-	11,087	0.0%	25.4%

Source Data provided by CCSF Controller's

Special Assistant Actual FTEs (rounded) for a Selected Pay Period
Summary by Department

DeptTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec-2000 Salaries at Current Pay	Change in Positions	Change in Costs	% change in Pos	% change in salaries
CIVIL SERVICE COMMISSION	1	75,865	1	75,865	-	-	0.0%	0.0%
ETHICS COMMISSION	3	121,658	2	116,736	(1)	(4,921)	-33.3%	-4.0%
RENT ARBITRATION BOARD	1	52,185	-	-	(1)	(52,185)	-100.0%	-100.0%
RETIREMENT SYSTEM	1	82,533	-	-	(1)	(82,533)	-100.0%	-100.0%
ADMIN SVCS - PURCHASING	1	90,125	-	-	(1)	(90,125)	-100.0%	-100.0%
HETCH HETCHY	2	151,730	-	-	(2)	(151,730)	-100.0%	-100.0%
CITY ATTORNEY	7	298,975	2	86,619	(5)	(212,356)	-73.2%	-71.0%
WATER DEPARTMENT	4	308,510	-	-	(4)	(308,510)	-100.0%	-100.0%
PUBLIC LIBRARY	15	650,861	4	220,405	(11)	(430,456)	-73.3%	-66.1%
GRAND TOTAL	243	15,651,822	573	41,675,592	330	26,023,770	135.5%	166.3%

Dept and Class

Dept	DeptTitle	Class	JobClassTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec-2000 Salaries at Current Pay	Change in Positions	Change in Costs	% change in Pos	% change in salaries
AAM	ASIAN ART MUSEUM	1365	SPECIAL ASSISTANT VI........	1	43,582	-	-	(1)	(43,582)		
AAM	ASIAN ART MUSEUM	1368	SPECIAL ASSISTANT IX........	-	-	1	54,669	1	54,669		
AAM Total				1	43,582	1	54,669	-	11,087	0.0%	25.4%
ADM	ADMINISTRATIVE SERVICES	1362	SPECIAL ASSISTANT III........	1	33,995	1	33,995	-	-		
ADM	ADMINISTRATIVE SERVICES	1365	SPECIAL ASSISTANT VI........	3	130,746	9	375,350	6	244,604		
ADM	ADMINISTRATIVE SERVICES	1366	SPECIAL ASSISTANT VII........	2	90,373	-	-	(2)	(90,373)		
ADM	ADMINISTRATIVE SERVICES	1367	SPECIAL ASSISTANT VIII......	4	198,296	4	206,022	0	7,726		
ADM	ADMINISTRATIVE SERVICES	1368	SPECIAL ASSISTANT IX........	-	-	2	109,339	2	109,339		
ADM	ADMINISTRATIVE SERVICES	1369	SPECIAL ASSISTANT X........	3	167,039	1	59,657	(2)	(107,382)		
ADM	ADMINISTRATIVE SERVICES	1370	SPECIAL ASSISTANT XI........	8	521,846	10	632,738	2	110,892		
ADM	ADMINISTRATIVE SERVICES	1371	SPECIAL ASSISTANT XII........	3	183,119	1	68,947	(2)	(114,172)		
ADM	ADMINISTRATIVE SERVICES	1372	SPECIAL ASSISTANT XIII......	4	303,459	5	379,324	1	75,865		
ADM	ADMINISTRATIVE SERVICES	1373	SPECIAL ASSISTANT XIV......	3	247,600	5	371,401	2	123,800		
ADM	ADMINISTRATIVE SERVICES	1374	SPECIAL ASSISTANT XV........	1	90,125	1	90,125	-	-		
ADM	ADMINISTRATIVE SERVICES	1375	SPECIAL ASSISTANT XVI......	2	191,787	4	383,573	2	191,787		
ADM	ADMINISTRATIVE SERVICES	1376	SPECIAL ASSISTANT XVII.....	-	-	2	210,522	2	210,522		
ADM	ADMINISTRATIVE SERVICES	1377	SPECIAL ASSISTANT XVIII....	1	113,042	1	113,042	-	-		
ADM Total				34	2,271,427	45	3,034,034	11	762,607	30.9%	33.6%
AGE	ADULT AND AGING SERVICES	1368	SPECIAL ASSISTANT IX........	-	-	1	54,669	1	54,669		
AGE	ADULT AND AGING SERVICES	1375	SPECIAL ASSISTANT XVI......	-	-	1	95,893	1	95,893		
AGE	ADULT AND AGING SERVICES	1377	SPECIAL ASSISTANT XVIII....	-	-	1	113,042	1	113,042		
AGE Total				-	-	3	263,605	3	263,605	na	na
AGW	ADMIN SVCS - DEPT. OF CONSU	1376	SPECIAL ASSISTANT XVII.....	-	-	1	105,261	1	105,261		
AGW Total				-	-	1	105,261	1	105,261	na	na
AIR	AIRPORT COMMISSION	1365	SPECIAL ASSISTANT VI........	-	-	1	43,582	1	43,582		
AIR	AIRPORT COMMISSION	1368	SPECIAL ASSISTANT IX........	2	109,339	-	-	(2)	(109,339)		
AIR	AIRPORT COMMISSION	1369	SPECIAL ASSISTANT X........	-	-	1	47,725	1	47,725		
AIR	AIRPORT COMMISSION	1370	SPECIAL ASSISTANT XI........	1	65,231	4	260,923	3	195,692		
AIR	AIRPORT COMMISSION	1371	SPECIAL ASSISTANT XII........	-	-	2	139,639	2	139,639		
AIR	AIRPORT COMMISSION	1372	SPECIAL ASSISTANT XIII......	2	151,730	16	1,223,321	14	1,071,591		
AIR	AIRPORT COMMISSION	1373	SPECIAL ASSISTANT XIV......	1	82,533	19	1,568,136	18	1,485,602		
AIR	AIRPORT COMMISSION	1374	SPECIAL ASSISTANT XV........	1	90,125	12	1,081,495	11	991,371		
AIR	AIRPORT COMMISSION	1375	SPECIAL ASSISTANT XVI......	-	-	2	191,787	2	191,787		
AIR	AIRPORT COMMISSION	1376	SPECIAL ASSISTANT XVII.....	4	421,043	24	2,547,311	20	2,126,268		
AIR	AIRPORT COMMISSION	1377	SPECIAL ASSISTANT XVIII....	2	226,085	5	565,211	3	339,127		
AIR Total				13	1,146,085	86	7,669,130	73	6,523,045	562.5%	569.2%
ART	ART COMMISSION	1372	SPECIAL ASSISTANT XIII......	-	-	1	75,865	1	75,865		
ART	ART COMMISSION	1375	SPECIAL ASSISTANT XVI......	-	-	1	95,893	1	95,893		
ART Total				-	-	2	171,758	2	171,758		
ASR	ASSESSOR / RECORDER	1372	SPECIAL ASSISTANT XIII......	-	-	1	75,865	1	75,865		

Source Data [illegible] Office

Special Assistant Actual FTEs (rounded) for a Selected Pay Period
Dept and Class

Dept	DeptTitle	Class	JobClassTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec-2000 Salaries at Current Pay	Change In Positions	Change In Costs	% change In Pos	% change In salaries
ASR Total				-	-	1	75,865	1	75,865	na	na
BOS	BOARD OF SUPERVISORS	1361	SPECIAL ASSISTANT II	2	69,511	-	-	(2)	(69,511)		
BOS	BOARD OF SUPERVISORS	1362	SPECIAL ASSISTANT III	-	-	2	67,991	2	67,991		
BOS	BOARD OF SUPERVISORS	1363	SPECIAL ASSISTANT IV	-	-	1	38,137	1	38,137		
BOS	BOARD OF SUPERVISORS	1364	SPECIAL ASSISTANT V	-	-	10	433,316	10	433,316		
BOS	BOARD OF SUPERVISORS	1366	SPECIAL ASSISTANT VII	1	46,197	-	-	(1)	(46,197)		
BOS	BOARD OF SUPERVISORS	1367	SPECIAL ASSISTANT VIII	-	-	1	72,108	1	72,108		
BOS	BOARD OF SUPERVISORS	1368	SPECIAL ASSISTANT IX	-	-	1	54,669	1	54,669		
BOS	BOARD OF SUPERVISORS	1370	SPECIAL ASSISTANT XI	-	-	1	52,185	1	52,185		
BOS	BOARD OF SUPERVISORS	1371	SPECIAL ASSISTANT XII	-	-	2	139,639	2	139,839		
BOS	BOARD OF SUPERVISORS	1372	SPECIAL ASSISTANT XIII	-	-	1	75,865	1	75,865		
BOS Total				3	115,708	20	933,908	17	818,200	555.0%	707.1%
CAT	CITY ATTORNEY	1362	SPECIAL ASSISTANT III	2	67,991	-	-	(2)	(67,991)		
CAT	CITY ATTORNEY	1366	SPECIAL ASSISTANT VII	5	230,984	2	86,619	(3)	(144,365)		
CAT Total				7	298,975	2	86,619	(5)	(212,356)	-73.2%	-71.0%
CFC	CHILDREN AND FAMILIES COMM	1366	SPECIAL ASSISTANT VII	-	-	1	46,197	1	46,197		
CFC	CHILDREN AND FAMILIES COMM	1372	SPECIAL ASSISTANT XIII	-	-	1	75,865	1	75,865		
CFC Total				-	-	2	122,062	2	122,062	na	na
CFM	ADMIN SVCS - CONVENTION FAC	1361	SPECIAL ASSISTANT II	-	-	1	26,067	1	26,067		
CFM	ADMIN SVCS - CONVENTION FAC	1362	SPECIAL ASSISTANT III	-	-	1	33,995	1	33,995		
CFM	ADMIN SVCS - CONVENTION FAC	1367	SPECIAL ASSISTANT VIII	-	-	2	103,011	2	103,011		
CFM	ADMIN SVCS - CONVENTION FAC	1368	SPECIAL ASSISTANT IX	-	-	1	54,669	1	54,669		
CFM	ADMIN SVCS - CONVENTION FAC	1369	SPECIAL ASSISTANT X	1	59,657	2	119,313	1	59,657		
CFM	ADMIN SVCS - CONVENTION FAC	1370	SPECIAL ASSISTANT XI	-	-	3	187,946	3	187,946		
CFM	ADMIN SVCS - CONVENTION FAC	1374	SPECIAL ASSISTANT XV	-	-	2	180,249	2	180,249		
CFM	ADMIN SVCS - CONVENTION FAC	1376	SPECIAL ASSISTANT XVII	-	-	1	105,261	1	105,261		
CFM Total				1	59,657	13	810,512	12	750,855	1163.1%	1258.6%
CHF	CHILDREN, YOUTH & THEIR FAM	1361	SPECIAL ASSISTANT II	-	-	1	34,756	1	34,756		
CHF	CHILDREN, YOUTH & THEIR FAM	1362	SPECIAL ASSISTANT III	1	33,995	-	-	(1)	(33,995)		
CHF	CHILDREN, YOUTH & THEIR FAM	1363	SPECIAL ASSISTANT IV	-	-	2	76,273	2	76,273		
CHF	CHILDREN, YOUTH & THEIR FAM	1365	SPECIAL ASSISTANT VI	1	43,582	3	130,746	2	87,164		
CHF	CHILDREN, YOUTH & THEIR FAM	1366	SPECIAL ASSISTANT VII	2	92,394	5	230,984	3	138,590		
CHF	CHILDREN, YOUTH & THEIR FAM	1367	SPECIAL ASSISTANT VIII	2	103,011	2	103,011	-	-		
CHF	CHILDREN, YOUTH & THEIR FAM	1368	SPECIAL ASSISTANT IX	-	-	1	54,669	1	54,669		
CHF	CHILDREN, YOUTH & THEIR FAM	1369	SPECIAL ASSISTANT X	-	-	2	119,313	2	119,313		
CHF	CHILDREN, YOUTH & THEIR FAM	1370	SPECIAL ASSISTANT XI	1	65,231	3	195,692	2	130,461		
CHF	CHILDREN, YOUTH & THEIR FAM	1371	SPECIAL ASSISTANT XII	-	-	3	209,458	3	209,458		
CHF	CHILDREN, YOUTH & THEIR FAM	1373	SPECIAL ASSISTANT XIV	1	82,533	3	247,600	2	165,067		
CHF	CHILDREN, YOUTH & THEIR FAM	9770	COMMUNITY DEVELOPMENT	1	45,552	-	-	(1)	(45,552)		
CHF Total				9	466,298	25	1,402,503	16	936,205	177.8%	200.8%
CON	CONTROLLER	1365	SPECIAL ASSISTANT VI	3	129,493	1	29,145	(2)	(100,347)		

Dept and Class

Dept	DeptTitle	Class	JobClassTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec-2000 Salaries at Current Pay	Change in Positions	Change in Costs	% change in Pos	% change in salaries
CON	CONTROLLER	1367	SPECIAL ASSISTANT VIII	-	-	1	51,506	1	51,506		
CON	CONTROLLER	1368	SPECIAL ASSISTANT IX	-	-	1	54,669	1	54,669		
CON	CONTROLLER	1369	SPECIAL ASSISTANT X	-	-	2	107,382	2	107,382		
CON	CONTROLLER	1370	SPECIAL ASSISTANT XI	-	-	1	65,231	1	65,231		
CON	CONTROLLER	1372	SPECIAL ASSISTANT XIII	-	-	4	268,704	4	268,704		
CON	CONTROLLER	1374	SPECIAL ASSISTANT XV	-	-	2	180,249	2	180,249		
CON Total				3	129,493	11	756,886	8	627,393	270.6%	484.5%
CPC	CITY PLANNING	1368	SPECIAL ASSISTANT IX	1	54,669	-	-	(1)	(54,669)		
CPC	CITY PLANNING	1375	SPECIAL ASSISTANT XVI	-	-	1	95,893	1	95,893		
CPC Total				1	54,669	1	95,893	-	41,224	0.0%	75.4%
CSC	CIVIL SERVICE COMMISSION	1372	SPECIAL ASSISTANT XIII	1	75,865	1	75,865	-	-		
CSC Total				1	75,865	1	75,865	-	-	0.0%	0.0%
CSS	CHILD SUPPORT SERVICES	1373	SPECIAL ASSISTANT XIV	-	-	1	82,533	1	82,533		
CSS Total				-	-	1	82,533	1	82,533	na	na
DAT	DISTRICT ATTORNEY	1373	SPECIAL ASSISTANT XIV	-	-	1	82,533	1	82,533		
DAT Total				-	-	1	82,533	1	82,533	na	na
DBI	DEPARTMENT OF BUILDING INS	1367	SPECIAL ASSISTANT VIII	-	-	1	51,506	1	51,506		
DBI	DEPARTMENT OF BUILDING INS	1372	SPECIAL ASSISTANT XIII	-	-	3	227,595	3	227,595		
DBI	DEPARTMENT OF BUILDING INS	1374	SPECIAL ASSISTANT XV	-	-	1	90,125	1	90,125		
DBI	DEPARTMENT OF BUILDING INS	1375	SPECIAL ASSISTANT XVI	-	-	1	95,893	1	95,893		
DBI Total				-	-	6	465,118	6	465,118	na	na
DPT	MUNICIPAL TRANSPORTATION A	1365	SPECIAL ASSISTANT VI	-	-	1	37,589	1	37,589		
DPT	MUNICIPAL TRANSPORTATION A	1367	SPECIAL ASSISTANT VIII	-	-	3	154,517	3	154,517		
DPT	MUNICIPAL TRANSPORTATION A	1368	SPECIAL ASSISTANT IX	-	-	1	54,669	1	54,669		
DPT	MUNICIPAL TRANSPORTATION A	1370	SPECIAL ASSISTANT XI	-	-	1	65,231	1	65,231		
DPT	MUNICIPAL TRANSPORTATION A	1371	SPECIAL ASSISTANT XII	-	-	1	69,819	1	69,819		
DPT	MUNICIPAL TRANSPORTATION A	1372	SPECIAL ASSISTANT XIII	1	75,865	7	531,054	6	455,189		
DPT	MUNICIPAL TRANSPORTATION A	1373	SPECIAL ASSISTANT XIV	-	-	1	82,533	1	82,533		
DPT	MUNICIPAL TRANSPORTATION A	1374	SPECIAL ASSISTANT XV	-	-	6	540,748	6	540,748		
DPT	MUNICIPAL TRANSPORTATION A	1375	SPECIAL ASSISTANT XVI	1	95,893	4	383,573	3	287,680		
DPT	MUNICIPAL TRANSPORTATION A	1376	SPECIAL ASSISTANT XVII	1	105,261	4	421,043	3	315,782		
DPT	MUNICIPAL TRANSPORTATION A	1377	SPECIAL ASSISTANT XVIII	-	-	1	113,042	1	113,042		
DPT Total				3	277,019	30	2,453,819	27	2,176,800	895.4%	785.8%
DPW	DEPARTMENT OF PUBLIC WORK	1360	SPECIAL ASSISTANT I	-	-	1	29,198	1	29,198		
DPW	DEPARTMENT OF PUBLIC WORK	1366	SPECIAL ASSISTANT VII	2	92,394	1	46,197	(1)	(46,197)		
DPW	DEPARTMENT OF PUBLIC WORK	1368	SPECIAL ASSISTANT IX	3	164,008	1	54,669	(2)	(109,339)		
DPW	DEPARTMENT OF PUBLIC WORK	1370	SPECIAL ASSISTANT XI	1	65,231	-	-	(1)	(65,231)		
DPW	DEPARTMENT OF PUBLIC WORK	1371	SPECIAL ASSISTANT XII	1	69,819	1	69,819	-	-		
DPW	DEPARTMENT OF PUBLIC WORK	1372	SPECIAL ASSISTANT XIII	2	151,730	1	75,865	(1)	(75,865)		
DPW	DEPARTMENT OF PUBLIC WORK	1373	SPECIAL ASSISTANT XIV	1	82,533	1	82,533	-	-		

Special Assistant Actual FTEs (rounded) for a Selected Pay Period
Dept and Class

Dept	DeptTitle	Class	JobClassTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec 2000 Salaries at Current Pay	Change in Positions	Change in Costs	% change in Pos	% change in salaries
DPW	DEPARTMENT OF PUBLIC WORK	1374	SPECIAL ASSISTANT XV	1	90,125	2	180,249	1	90,125		
DPW	DEPARTMENT OF PUBLIC WORK	1375	SPECIAL ASSISTANT XVI	-	-	2	191,787	2	191,787		
DPW	DEPARTMENT OF PUBLIC WORK	1376	SPECIAL ASSISTANT XVII	1	105,261	1	105,261	-	-		
DPW	DEPARTMENT OF PUBLIC WORK	1377	SPECIAL ASSISTANT XVIII	1	113,042	4	452,169	3	339,127		
DPW Total				13	934,142	15	1,287,748	2	353,605	15.4%	37.9%
DSS	HUMAN SERVICES	1363	SPECIAL ASSISTANT IV	-	-	1	38,137	1	38,137		
DSS	HUMAN SERVICES	1367	SPECIAL ASSISTANT VIII	1	51,506	-	-	(1)	(51,506)		
DSS	HUMAN SERVICES	1369	SPECIAL ASSISTANT X	-	-	1	59,657	1	59,657		
DSS	HUMAN SERVICES	1370	SPECIAL ASSISTANT XI	1	65,231	1	65,231	-	-		
DSS	HUMAN SERVICES	1371	SPECIAL ASSISTANT XII	-	-	2	139,639	2	139,639		
DSS	HUMAN SERVICES	1372	SPECIAL ASSISTANT XIII	-	-	2	182,076	2	182,076		
DSS	HUMAN SERVICES	1373	SPECIAL ASSISTANT XIV	-	-	7	569,481	7	569,481		
DSS	HUMAN SERVICES	1374	SPECIAL ASSISTANT XV	1	90,125	1	90,125	-	-		
DSS	HUMAN SERVICES	1375	SPECIAL ASSISTANT XVI	1	95,893	2	191,787	1	95,893		
DSS Total				4	302,754	17	1,336,131	13	1,033,376	332.5%	341.3%
ECD	EMERGENCY COMMUNICATION	1367	SPECIAL ASSISTANT VIII	-	-	1	51,506	1	51,506		
ECD	EMERGENCY COMMUNICATION	1369	SPECIAL ASSISTANT X	-	-	1	59,657	1	59,657		
ECD	EMERGENCY COMMUNICATION	1372	SPECIAL ASSISTANT XIII	-	-	3	227,595	3	227,595		
ECD	EMERGENCY COMMUNICATION	1373	SPECIAL ASSISTANT XIV	-	-	1	82,533	1	82,533		
ECD	EMERGENCY COMMUNICATION	1374	SPECIAL ASSISTANT XV	-	-	2	180,249	2	180,249		
ECD	EMERGENCY COMMUNICATION	1376	SPECIAL ASSISTANT XVII	-	-	2	210,522	2	210,522		
ECD Total				-	-	10	812,061	10	812,061	na	na
ECN	BUSINESS AND ECONOMIC DEV	1363	SPECIAL ASSISTANT IV	-	-	4	149,686	4	149,686		
ECN	BUSINESS AND ECONOMIC DEV	1365	SPECIAL ASSISTANT VI	-	-	2	87,164	2	87,164		
ECN	BUSINESS AND ECONOMIC DEV	1366	SPECIAL ASSISTANT VII	-	-	0	20,425	0	20,425		
ECN	BUSINESS AND ECONOMIC DEV	1367	SPECIAL ASSISTANT VIII	-	-	2	103,011	2	103,011		
ECN	BUSINESS AND ECONOMIC DEV	1369	SPECIAL ASSISTANT X	-	-	1	59,657	1	59,657		
ECN	BUSINESS AND ECONOMIC DEV	1370	SPECIAL ASSISTANT XI	-	-	1	65,231	1	65,231		
ECN	BUSINESS AND ECONOMIC DEV	1371	SPECIAL ASSISTANT XII	-	-	1	69,819	1	69,819		
ECN	BUSINESS AND ECONOMIC DEV	1372	SPECIAL ASSISTANT XIII	-	-	6	455,189	6	455,189		
ECN	BUSINESS AND ECONOMIC DEV	1373	SPECIAL ASSISTANT XIV	-	-	4	330,134	4	330,134		
ECN	BUSINESS AND ECONOMIC DEV	1374	SPECIAL ASSISTANT XV	-	-	3	270,374	3	270,374		
ECN	BUSINESS AND ECONOMIC DEV	1375	SPECIAL ASSISTANT XVI	-	-	2	191,787	2	191,787		
ECN	BUSINESS AND ECONOMIC DEV	1376	SPECIAL ASSISTANT XVII	-	-	2	210,522	2	210,522		
ECN Total				-	-	28	2,012,998	28	2,012,998	na	na
ENV	ENVIRONMENT	1368	SPECIAL ASSISTANT IX	-	-	3	150,340	3	150,340		
ENV	ENVIRONMENT	1373	SPECIAL ASSISTANT XIV	-	-	1	82,533	1	82,533		
ENV	ENVIRONMENT	1375	SPECIAL ASSISTANT XVI	-	-	1	95,893	1	95,893		
ENV Total				-	-	5	328,767	5	328,767	na	na
ETH	ETHICS COMMISSION	1362	SPECIAL ASSISTANT III	1	33,995	-	-	(1)	(33,995)		
ETH	ETHICS COMMISSION	1364	SPECIAL ASSISTANT V	1	41,466	-	-	(1)	(41,466)		
ETH	ETHICS COMMISSION	1366	SPECIAL ASSISTANT VII	1	46,197	-	-	(1)	(46,197)		

Dept	DeptTitle	Class	JobClassTitle	Dec-95	Dec 95 Salaries at Current Pay	Dec-00	Dec 2000 Salaries at Current Pay	Change in Positions	Change in Costs	% change in Pos	% change in salaries
ETH	ETHICS COMMISSION	1367	SPECIAL ASSISTANT VIII.......	-	-	1	51,506	1	51,506		
ETH	ETHICS COMMISSION	1370	SPECIAL ASSISTANT XI.........	-	-	1	65,231	1	65,231		
ETH Total				3	121,658	2	116,736	(1)	(4,921)	-33.3%	-4.0%
FIR	FIRE DEPARTMENT	1372	SPECIAL ASSISTANT XIII.......	-	-	1	75,865	1	75,865		
FIR	FIRE DEPARTMENT	1374	SPECIAL ASSISTANT XV........	-	-	2	180,249	2	180,249		
FIR Total				-	-	3	256,114	3	256,114	na	na
HCH	COMMUNITY HEALTH SERVICES	1368	SPECIAL ASSISTANT IX.........	2	87,471	-	-	(2)	(87,471)		
HCH	COMMUNITY HEALTH SERVICES	1370	SPECIAL ASSISTANT XI.........	1	65,231	-	-	(1)	(65,231)		
HCH	COMMUNITY HEALTH SERVICES	1372	SPECIAL ASSISTANT XIII.......	4	305,726	-	-	(4)	(305,726)		
HCH	COMMUNITY HEALTH SERVICES	1374	SPECIAL ASSISTANT XV........	2	180,249	-	-	(2)	(180,249)		
HCH Total				9	638,677	-	-	(9)	(638,677)	-100.0%	-100.0%
HCN	COMMUNITY HEALTH NETWORK	1368	SPECIAL ASSISTANT IX.........	-	-	1	54,669	1	54,669		
HCN	COMMUNITY HEALTH NETWORK	1369	SPECIAL ASSISTANT X..........	-	-	1	59,657	1	59,657		
HCN	COMMUNITY HEALTH NETWORK	1372	SPECIAL ASSISTANT XIII.......	-	-	1	75,865	1	75,865		
HCN	COMMUNITY HEALTH NETWORK	1373	SPECIAL ASSISTANT XIV.......	-	-	1	82,533	1	82,533		
HCN	COMMUNITY HEALTH NETWORK	1374	SPECIAL ASSISTANT XV........	-	-	2	180,249	2	180,249		
HCN	COMMUNITY HEALTH NETWORK	1375	SPECIAL ASSISTANT XVI.......	-	-	1	95,893	1	95,893		
HCN Total				-	-	7	548,867	7	548,867	na	na
HGH	SAN FRANCISCO GENERAL HOS	1368	SPECIAL ASSISTANT IX.........	1	54,669	-	-	(1)	(54,669)		
HGH	SAN FRANCISCO GENERAL HOS	1369	SPECIAL ASSISTANT X..........	1	59,657	-	-	(1)	(59,657)		
HGH	SAN FRANCISCO GENERAL HOS	1372	SPECIAL ASSISTANT XIII.......	1	75,865	-	-	(1)	(75,865)		
HGH	SAN FRANCISCO GENERAL HOS	1373	SPECIAL ASSISTANT XIV.......	1	82,533	-	-	(1)	(82,533)		
HGH Total				4	272,724	-	-	(4)	(272,724)	-100.0%	-100.0%
HHP	HETCH HETCHY	1372	SPECIAL ASSISTANT XIII.......	2	151,730	-	-	(2)	(151,730)		
HHP Total				2	151,730	-	-	(2)	(151,730)	-100.0%	-100.0%
HLH	LAGUNA HONDA HOSPITAL	1368	SPECIAL ASSISTANT IX.........	1	54,669	-	-	(1)	(54,669)		
HLH Total				1	54,669	-	-	(1)	(54,669)	-100.0%	-100.0%
HMH	COMMUNITY MENTAL HEALTH S	1372	SPECIAL ASSISTANT XIII.......	1	75,865	-	-	(1)	(75,865)		
HMH	COMMUNITY MENTAL HEALTH S	1376	SPECIAL ASSISTANT XVII.....	1	105,261	-	-	(1)	(105,261)		
HMH	COMMUNITY MENTAL HEALTH S	1377	SPECIAL ASSISTANT XVIII....	1	113,042	-	-	(1)	(113,042)		
HMH Total				3	294,168	-	-	(3)	(294,168)	-100.0%	-100.0%
HPH	PUBLIC HEALTH	1370	SPECIAL ASSISTANT XI.........	-	-	4	260,923	4	260,923		
HPH	PUBLIC HEALTH	1371	SPECIAL ASSISTANT XII........	-	-	2	139,639	2	139,639		
HPH	PUBLIC HEALTH	1372	SPECIAL ASSISTANT XIII.......	-	-	3	227,595	3	227,595		
HPH	PUBLIC HEALTH	1373	SPECIAL ASSISTANT XIV.......	-	-	3	247,600	3	247,600		
HPH	PUBLIC HEALTH	1374	SPECIAL ASSISTANT XV........	-	-	3	270,374	3	270,374		
HPH	PUBLIC HEALTH	1375	SPECIAL ASSISTANT XVI.......	-	-	1	95,893	1	95,893		
HPH	PUBLIC HEALTH	1377	SPECIAL ASSISTANT XVIII....	-	-	1	113,042	1	113,042		
HPH Total				-	-	17	1,355,066	17	1,355,066	na	na

Source Data provided by CCSF Controller's Office

Special Assistant Actual FTEs (rounded) for a Selected Pay Period
Dept and Class

Dept	DeptTitle	Class	JobClassTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec-2000 Salaries at Current Pay	Change in Positions	Change in Costs	% change in Pos	% change in salaries
HRC	HUMAN RIGHTS COMMISSION	1361	SPECIAL ASSISTANT II	-	-	1	34,756	1	34,756		
HRC Total				-	-	1	34,756	1	-	na	na
HRD	HUMAN RESOURCES	1365	SPECIAL ASSISTANT VI	-	-	0	12,530	0	12,530		
HRD	HUMAN RESOURCES	1368	SPECIAL ASSISTANT IX	1	54,669	-	-	(1)	(54,669)		
HRD	HUMAN RESOURCES	1370	SPECIAL ASSISTANT XI	2	130,461	-	-	(2)	(130,461)		
HRD	HUMAN RESOURCES	1371	SPECIAL ASSISTANT XII	2	139,639	-	-	(2)	(139,639)		
HRD	HUMAN RESOURCES	1372	SPECIAL ASSISTANT XIII	1	75,865	2	151,730	1	75,865		
HRD	HUMAN RESOURCES	1374	SPECIAL ASSISTANT XV	1	90,125	1	90,125	-	-		
HRD	HUMAN RESOURCES	1375	SPECIAL ASSISTANT XVI	-	-	3	287,680	3	287,680		
HRD	HUMAN RESOURCES	1376	SPECIAL ASSISTANT XVII	-	-	0	27,631	0	27,631		
HRD Total				7	490,759	7	569,695	(0)	78,936	-6.4%	16.1%
JUV	JUVENILE PROBATION	1372	SPECIAL ASSISTANT XIII	-	-	1	75,865	1	75,865		
JUV Total				-	-	1	75,865	1	75,865	na	na
LIB	PUBLIC LIBRARY	1360	SPECIAL ASSISTANT I	6	175,189	-	-	(6)	(175,189)		
LIB	PUBLIC LIBRARY	1363	SPECIAL ASSISTANT IV	1	38,137	-	-	(1)	(38,137)		
LIB	PUBLIC LIBRARY	1365	SPECIAL ASSISTANT VI	1	43,582	1	43,582	-	-		
LIB	PUBLIC LIBRARY	1366	SPECIAL ASSISTANT VII	3	138,590	-	-	(3)	(138,590)		
LIB	PUBLIC LIBRARY	1368	SPECIAL ASSISTANT IX	1	42,369	1	51,936	0	9,567		
LIB	PUBLIC LIBRARY	1369	SPECIAL ASSISTANT X	-	-	1	59,657	1	59,657		
LIB	PUBLIC LIBRARY	1370	SPECIAL ASSISTANT XI	2	130,461	1	65,231	(1)	(65,231)		
LIB	PUBLIC LIBRARY	1373	SPECIAL ASSISTANT XIV	1	82,533	-	-	(1)	(82,533)		
LIB Total				15	650,861	4	220,405	(11)	(430,456)	-73.3%	-66.1%
MYR	MAYOR	1360	SPECIAL ASSISTANT I	-	-	1	22,994	1	22,994		
MYR	MAYOR	1361	SPECIAL ASSISTANT II	1	34,517	1	23,895	(0)	(10,622)		
MYR	MAYOR	1362	SPECIAL ASSISTANT III	6	210,771	2	67,991	(4)	(142,780)		
MYR	MAYOR	1363	SPECIAL ASSISTANT IV	-	-	7	266,956	7	266,956		
MYR	MAYOR	1364	SPECIAL ASSISTANT V	5	207,328	6	248,794	1	41,466		
MYR	MAYOR	1365	SPECIAL ASSISTANT VI	5	217,910	6	252,775	1	34,866		
MYR	MAYOR	1366	SPECIAL ASSISTANT VII	3	140,323	13	592,145	10	451,822		
MYR	MAYOR	1367	SPECIAL ASSISTANT VIII	5	257,528	9	463,550	4	206,022		
MYR	MAYOR	1368	SPECIAL ASSISTANT IX	11	599,804	2	104,555	(9)	(495,249)		
MYR	MAYOR	1369	SPECIAL ASSISTANT X	-	-	29	1,740,485	29	1,740,485		
MYR	MAYOR	1370	SPECIAL ASSISTANT XI	2	130,461	7	443,569	5	313,107		
MYR	MAYOR	1371	SPECIAL ASSISTANT XII	6	418,916	6	411,934	(0)	(6,982)		
MYR	MAYOR	1372	SPECIAL ASSISTANT XIII	2	151,730	14	1,024,175	12	872,446		
MYR	MAYOR	1373	SPECIAL ASSISTANT XIV	2	165,067	3	247,600	1	82,533		
MYR	MAYOR	1374	SPECIAL ASSISTANT XV	3	270,374	10	871,280	7	600,906		
MYR	MAYOR	1375	SPECIAL ASSISTANT XVI	4	383,573	7	671,253	3	287,680		
MYR	MAYOR	1376	SPECIAL ASSISTANT XVII	-	-	2	210,522	2	210,522		
MYR	MAYOR	1377	SPECIAL ASSISTANT XVIII	-	-	7	781,405	7	781,405		
MYR	MAYOR	9770	COMMUNITY DEVELOPMENT	2	91,104	-	-	(2)	(91,104)		
MYR	MAYOR	9772	COMMUNITY DEVELOPMENT	5	276,117	1	57,524	(4)	(218,593)		

Dept	DeptTitle	Class	JobClassTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec-2000 Salaries at Current Pay	Change in Positions	Change in Costs	% change in Pos	% change in salaries
MYR	MAYOR	9774	SR COMMUNITY DEVELOPM	11	715,198	4	266,325	(7)	(448,874)		
MYR	MAYOR	9775	SR COMMUNITY DEVELOPM	6	474,026	3	237,013	(3)	(237,013)		
MYR	MAYOR	9776	SUPV COMMUNITY DEVELOP	4	285,145	-	-	(4)	(285,145)		
MYR Total				82	5,029,892	138	9,006,740	56	3,976,848	67.5%	79.1%
PDR	PUBLIC DEFENDER	1364	SPECIAL ASSISTANT V........	-	-	1	41,466	1	41,466		
PDR	PUBLIC DEFENDER	1366	SPECIAL ASSISTANT VII........	-	-	2	92,394	2	92,394		
PDR Total				-	-	3	133,859	3	133,859	na	na
POL	POLICE	1371	SPECIAL ASSISTANT XII........	-	-	2	119,129	2	119,129		
POL Total				-	-	2	119,129	2	119,129	na	na
PRT	PORT	1366	SPECIAL ASSISTANT VII........	1	46,197	-	-	(1)	(46,197)		
PRT	PORT	1370	SPECIAL ASSISTANT XI........	-	-	2	130,461	2	130,461		
PRT	PORT	1375	SPECIAL ASSISTANT XVI......	-	-	2	172,608	2	172,608		
PRT	PORT	1376	SPECIAL ASSISTANT XVII.....	-	-	1	105,261	1	105,261		
PRT Total				1	46,197	5	408,330	4	362,133	380.0%	783.9%
PTC	PARKING AND TRAFFIC COMMIS	1367	SPECIAL ASSISTANT VIII.......	1	51,506	-	-	(1)	(51,506)		
PTC	PARKING AND TRAFFIC COMMIS	1368	SPECIAL ASSISTANT IX.........	1	54,669	-	-	(1)	(54,669)		
PTC	PARKING AND TRAFFIC COMMIS	1369	SPECIAL ASSISTANT X..........	-	-	1	87,248	1	87,248		
PTC	PARKING AND TRAFFIC COMMIS	1370	SPECIAL ASSISTANT XI.........	1	65,231	-	-	(1)	(65,231)		
PTC	PARKING AND TRAFFIC COMMIS	1371	SPECIAL ASSISTANT XII........	-	-	1	69,819	1	69,819		
PTC	PARKING AND TRAFFIC COMMIS	1372	SPECIAL ASSISTANT XIII......	-	-	3	227,595	3	227,595		
PTC	PARKING AND TRAFFIC COMMIS	1374	SPECIAL ASSISTANT XV.......	-	-	1	90,125	1	90,125		
PTC Total				3	171,406	6	474,787	3	303,381	115.4%	177.0%
PUC	PUBLIC UTILITIES COMMISSION	1372	SPECIAL ASSISTANT XIII......	-	-	1	75,865	1	75,865		
PUC	PUBLIC UTILITIES COMMISSION	1375	SPECIAL ASSISTANT XVI......	-	-	1	94,695	1	94,695		
PUC	PUBLIC UTILITIES COMMISSION	1376	SPECIAL ASSISTANT XVII.....	1	105,261	1	105,261	-	-		
PUC	PUBLIC UTILITIES COMMISSION	1377	SPECIAL ASSISTANT XVIII....	1	113,042	-	-	(1)	(113,042)		
PUC Total				2	218,303	3	275,820	1	57,517	49.4%	26.3%
PUR	ADMIN SVCS - PURCHASING	1374	SPECIAL ASSISTANT XV.......	1	90,125	-	-	(1)	(90,125)		
PUR Total				1	90,125	-	-	(1)	(90,125)	-100.0%	-100.0%
REC	RECREATION AND PARK COMM	1364	SPECIAL ASSISTANT V.........	-	-	1	41,466	1	41,466		
REC	RECREATION AND PARK COMM	1366	SPECIAL ASSISTANT VII........	-	-	4	180,168	4	180,168		
REC	RECREATION AND PARK COMM	1370	SPECIAL ASSISTANT XI.........	-	-	1	65,231	1	65,231		
REC	RECREATION AND PARK COMM	1371	SPECIAL ASSISTANT XII........	-	-	1	69,819	1	69,819		
REC	RECREATION AND PARK COMM	1372	SPECIAL ASSISTANT XIII......	-	-	1	75,865	1	75,865		
REC	RECREATION AND PARK COMM	1376	SPECIAL ASSISTANT XVII.....	-	-	1	105,261	1	105,261		
REC Total				-	-	9	537,809	9	537,809	na	na
REG	ELECTIONS	1367	SPECIAL ASSISTANT VIII.......	-	-	5	266,863	5	266,863		
REG	ELECTIONS	1372	SPECIAL ASSISTANT XIII.......	-	-	2	151,730	2	151,730		
REG	ELECTIONS	1373	SPECIAL ASSISTANT XIV......	-	-	2	165,067	2	165,067		
REG	ELECTIONS	1375	SPECIAL ASSISTANT XVI......	-	-	3	287,680	3	287,680		

Special Assistant Actual FTEs (rounded) for a Selected Pay Period
Dept and Class

Dept	DeptTitle	Class	JobClassTitle	Dec-95	Dec-95 Salaries at Current Pay	Dec-00	Dec-2000 Salaries at Current Pay	Change in Positions	Change in Costs	%change in Pos	%change in salaries
REG	ELECTIONS	1376	SPECIAL ASSISTANT XVII......	-	-	1	105,261	1	105,261		
REG	ELECTIONS	1377	SPECIAL ASSISTANT XVIII.....	-	-	1	113,042	1	113,042		
REG Total				-	-	14	1,089,643	14	1,089,643	na	na
RET	RETIREMENT SYSTEM	1373	SPECIAL ASSISTANT XIV......	1	82,533	-	-	(1)	(82,533)		
RET Total				1	82,533	-	-	(1)	(82,533)	-100.0%	-100.0%
RNT	RENT ARBITRATION BOARD	1370	SPECIAL ASSISTANT XI.........	1	52,185	-	-	(1)	(52,185)		
RNT Total				1	52,185	-	-	(1)	(52,185)	-100.0%	-100.0%
SHF	SHERIFF	1369	SPECIAL ASSISTANT X..........	-	-	1	59,657	1	59,657		
SHF	SHERIFF	1375	SPECIAL ASSISTANT XVI.......	-	-	1	95,893	1	95,893		
SHF Total				-	-	2	155,550	2	155,550	na	na
TIS	TELECOMMUNICATIONS & INFO	1366	SPECIAL ASSISTANT VII.........	1	46,197	1	27,718	(0)	(18,479)		
TIS	TELECOMMUNICATIONS & INFO	1368	SPECIAL ASSISTANT IX..........	-	-	2	109,339	2	109,339		
TIS	TELECOMMUNICATIONS & INFO	1370	SPECIAL ASSISTANT XI..........	7	438,758	1	65,231	(6)	(373,527)		
TIS	TELECOMMUNICATIONS & INFO	1372	SPECIAL ASSISTANT XIII........	1	75,865	2	151,730	1	75,865		
TIS	TELECOMMUNICATIONS & INFO	1373	SPECIAL ASSISTANT XIV.......	2	165,067	2	165,067	-	-		
TIS	TELECOMMUNICATIONS & INFO	1375	SPECIAL ASSISTANT XVI.......	-	-	1	95,893	1	95,893		
TIS	TELECOMMUNICATIONS & INFO	1376	SPECIAL ASSISTANT XVII......	-	-	1	105,261	1	105,261		
TIS	TELECOMMUNICATIONS & INFO	1377	SPECIAL ASSISTANT XVIII.....	-	-	2	226,085	2	226,085		
TIS Total				11	725,887	12	946,323	1	220,436	8.1%	30.4%
TTX	TREASURER/TAX COLLECTOR	1367	SPECIAL ASSISTANT VIII.......	-	-	5	257,528	5	257,528		
TTX	TREASURER/TAX COLLECTOR	1371	SPECIAL ASSISTANT XII.........	-	-	1	69,819	1	69,819		
TTX	TREASURER/TAX COLLECTOR	1372	SPECIAL ASSISTANT XIII........	1	75,865	2	151,730	1	75,865		
TTX	TREASURER/TAX COLLECTOR	1374	SPECIAL ASSISTANT XV........	-	-	2	180,249	2	180,249		
TTX	TREASURER/TAX COLLECTOR	1376	SPECIAL ASSISTANT XVII......	-	-	1	105,261	1	105,261		
TTX Total				1	75,865	11	764,587	10	688,722	1000.0%	907.8%
WOM	DEPARTMENT OF THE STATUS (	1370	SPECIAL ASSISTANT XI..........	-	-	1	65,231	1	65,231		
WOM Total				-	-	1	65,231	1	65,231	na	na
WTR	WATER DEPARTMENT	1363	SPECIAL ASSISTANT IV.........	1	38,137	-	-	(1)	(38,137)		
WTR	WATER DEPARTMENT	1374	SPECIAL ASSISTANT XV........	3	270,374	-	-	(3)	(270,374)		
WTR Total				4	308,510	-	-	(4)	(308,510)	-100.0%	-100.0%
Grand Total				243	15,651,822	573	41,675,592	330	26,023,770	135.5%	166.3%

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

Wednesday, April 11, 2001	10:00 AM	City Hall, Room 263

Regular Meeting

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 10:06 a.m.

010249 **[Government Funding, Department of Elections]**

Ordinance appropriating $2,538,692 from the General Fund Reserve to fund salaries, fringe benefits, other current expenses, materials and supplies, and equipment for the Department of Elections for fiscal year 2000-2001. (Controller)

(Fiscal impact.)

2/7/01, RECEIVED AND ASSIGNED to Finance Committee.

3/14/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Harvey Rose, Budget Analyst; Dr. Phillip Paris, Acting Director of Elections, Christiane Hayashi, Department of Elections; Edward Harrington, Controller; Bill Lee, City Administrator; Shelley Bradford-Bell; Chris Bowman, Citizens Advisory Committee on Elections; Gloria Lawrence, APRI.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Christiane Hayashi, Department of Elections; Dr. Phil Paris.

Amendment of the Whole prepared in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $2,411,887 from the General Fund Reserve to fund salaries, fringe benefits, other current expenses, materials and supplies, and equipment for the Department of Elections for fiscal year 2000-2001; placing funds in the amount of $800,000 on reserve; placing an additional $251,000 of previously appropriated Fiscal Year 2000-2001 funds for the Department on reserve; providing for ratification of action previously taken. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010532 **[Bicycle Transit Improvements at Cesar Chavez]**

Supervisors Maxwell, Ammiano, Newsom

Resolution approving the Cooperative Agreement between the City and County of San Francisco and the State of California Department of Transportation concerning the construction and financing of a bicycle overcrossing and at-grade pedestrian/bicycle path widening on Highway 101 at Cesar Chavez Street in San Francisco and directing and ratifying certain actions in connection with this Resolution.

3/26/01, RECEIVED AND ASSIGNED to Finance Committee.

4/4/01, CONTINUED. Heard in Committee. Speaker: Harvey Rose, Budget Analyst.
Continued to April 11, 2001.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.

RECOMMENDED.. by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010529 **[Cesar Chavez City Holiday]**

Supervisors Sandoval, Gonzalez, Daly, McGoldrick, Maxwell, Ammiano

Ordinance amending Chapter 16, Article 1 of the San Francisco Administrative Code by adding Section 16.5 to create an official holiday for March 31st, the birthday of Cesar Chavez.

3/26/01, RECEIVED AND ASSIGNED to Rules Committee.

4/4/01, TRANSFERRED to Finance Committee. 4/4/01 - Transferred at the direction of the President.

Heard in Committee. Speakers: Supervisor Sandoval; Harvey Rose, Budget Analyst; Steve Kawa, Mayor's Office; Theodore Lakey, Deputy City Attorney.
Amended at the end of line 14 to add the following: "This section will not create a paid holiday for City employees until funds have been allocated for this holiday."

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010398 **[Reserved Funds, Recreation and Park Department]**

Hearing to consider release of reserved funds, Recreation and Park Department (fiscal year 2000-2001 budget), in the amount of $1,214,826 to enable the department to recruit the necessary staff to manage, design, and construct those facilities anticipated in the Department's Capital Plan. (Recreation and Park Department)

2/28/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Elizabeth Goldstein, General Manager, Recreation and Park Department; Gary Hoy, Recreation and Park Department; Patrick Hannan, Neighborhood Parks Council; Joanie Levi.
Release of funds in the amount of $127,695 approved.

APPROVED AND FILED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010358 **[Reserved Funds, District Attorney]**

Hearing to consider release of reserved funds, District Attorney's Office (fiscal year 2000-01 budget), in the amount of $55,000 to fund the Quality of Life Program. (District Attorney)

2/22/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tim Silard, District Attorney's Office; Will Leong, Executive Director, Pre-Trial Diversion, District Attorney's Office; Mara Rader, Coalition on Homelessness, Civil Rights Division; Ron Rucker, Coalition on Homelessness, Civil Rights Division. Release of funds in the amount of $55,000 approved.

APPROVED AND FILED by the following vote:

Ayes: 2 - Leno, Gonzalez
Absent: 1 - Peskin

001895 **[Reserved Funds, Department of the Environment]**

Hearing to consider release of reserved funds, Department of the Environment (Fiscal year 2000-2001 Budget), in the amount of $146,244 to implement the department's energy conservation programs. (Environment)

10/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

11/29/00, CONTINUED TO CALL OF THE CHAIR.

12/20/00, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Harvey Rose, Budget Analyst. Continued at the request of department.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Francesca Vietor, Director, Department of the Environment.

Release of funds in the amount of $146,244 approved.

APPROVED AND FILED by the following vote:

Ayes: 2 - Leno, Gonzalez
Absent: 1 - Peskin

010472 **[Extension of real property lease at 575 Polk Street]**

Resolution authorizing exercise of option regarding an extension of a real property lease at 575 Polk Street, on behalf of the Superior Court of San Francisco. (Real Estate Department)

3/16/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anthony Delucchi, Real Estate Division, Department of Administrative Services; Neil Tanaguchi, Superior Court.

RECOMMENDED.. by the following vote:

Ayes: 2 - Leno, Gonzalez
Absent: 1 - Peskin

010473 **[Acquisition of noise easements for insulation of four religious assembly buildings and one skilled-nursing facility]**

Resolution authorizing the acquisition of 5 noise easements for properties located in the City of San Bruno. (Real Estate Department)

3/19/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anthony Delucchi, Real Estate Division, Department of Administrative Services.

RECOMMENDED by the following vote:

Ayes: 2 - Leno, Gonzalez
Absent: 1 - Peskin

010466 **[Appropriation, funding for the increase of expenditures on the Indigent Defense Program]**
Ordinance appropriating $1,200,000 from the General Fund Reserve for the projected shortfall in the Indigent Defense Program at the Trial Court for fiscal year 2000-01; providing for ratification of action previously taken. (Controller)

(Fiscal impact.)

3/12/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Gordon Park-Li, Chief Executive Officer, Superior Court; Male Speaker. Continued to April 18, 2001.

CONTINUED by the following vote:

Ayes: 2 - Leno, Gonzalez
Absent: 1 - Peskin

ADJOURNMENT

The meeting adjourned at 2:15 p.m.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

April 5, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: April 11, 2001 Finance Committee Meeting

Item 1 - File 01-0249

Note: This ordinance was continued by the Finance Committee at its meeting of March 14, 2001.

Department: Department of Elections

Item: Supplemental appropriation ordinance for $2,538,692 from the General Fund Reserve to fund salaries, fringe benefits, other current expenses, materials and supplies and equipment.

Amount: $2,538,692

Source of Funds: General Fund Reserve

Budget:

Temporary Salaries	$498,572
Overtime-Miscellaneous	620,564
Mandatory Fringe Benefits	86,845
Other Current Expenses	541,570
Materials and Supplies	316,971
Equipment Purchase	71,201
Services of Other Depts.	
Dept. of Telecommunication & Information Services (DTIS)	122,416
DTIS – Citywatch	7,829
City Attorney	15,000
Parking and Traffic	47,724
Purchasing-Reproduction	10,000
DPW-Building Repairs	75,000
DPW-Administration	125,000
Total	$2,538,692

Description: The proposed supplemental appropriation for $2,538,692 would fund a projected FY 2000-2001 deficit for the Department of Elections pertaining to (1) the November 2000 General Election, (2) the December 2000 Runoff Elections for the Board of Supervisors and (3) the Department's projected operating costs for the remainder of the fiscal year. Mr. Ara Minasian of the Department of Administrative Services advises that approximately $1,838,692 or 72.4 percent of the requested $2,538,692 has already been incurred by the Department. The projected deficits, by amounts are described as follows:

Temporary Salaries

The Department is requesting an additional $498,572 to pay for the increase in Temporary Salaries staff hours consisting of: (a) high turnover of Permanent Staff, which led to the need to hire more Temporary Staff (projected Permanent Staff salary savings of $332,046 are being used to offset the total projected $829,618 increase in Temporary Staff salaries) for a net deficit of $497,572; and (b) a $1,000 increase in Premium Pay for Temporary Staff because approximately 12 employees were required to work during the night shift due to space limitations during the day. Therefore, a total $498,572 is being requested. Other reasons for this deficit include: (1) the logistical difficulties of dealing with the three-page, 19 inch by 9.75 inch November of 2000 ballot affected the Department's operation at all phases of the election process thereby requiring additional Temporary Staff to be used to move, sort and tabulate the ballots; (2) the recruitment, training and scheduling of additional pollworkers by Temporary Staff; and, (3) the current reapportionment task, which will extend through February of 2002, based on the 2000 U.S. Census in which the Congressional Districts will be redrawn, requiring the Department to require additional Temporary Staff to review the boundaries and modify the voters' precinct assignments and locations. The Department advises that they will be requesting an as yet undetermined amount of additional Temporary Salary funds to complete the reapportionment task in the forth coming FY 2001-02 budget.

Mr. Minasian states that $1,050,938 was originally budgeted for Temporary Staff in FY 2000-01, $1,786,477 has been expended to date, and $1,880,556 is projected to be expended by the end of FY 2000-01, an increase of $829,618, or 78.9 percent more than budgeted. It should be noted that these

additional Temporary Salary funds are not to cover the costs of the additional pollworkers located at each polling place, since these pollworker expenses are included under Other Current Expenses. An estimated $735,539 of the $829,618 in Temporary Salary monies over the approved budget has already incurred by the Department, prior to obtaining appropriation approval by the Board of Supervisors.

Overtime-Miscellaneous
The Department is requesting an additional $620,564 to pay for Overtime worked by both Temporary staff ($580,564) and Permanent staff ($40,000). According to Ms. Christiane Hayashi, the City Attorney assigned to work as the Community Outreach Manager at the Department of Elections, the Overtime expenses for both the Permanent and Temporary Staff was primarily due to (1) the implementation of the new optical voting technology system, which was more complicated than anticipated, (2) the failure of the optical voting technology system vendor, Election Systems and Software Inc. (ESS), to fulfill their contractual obligations (See Comment No. 7), and (3) the limited space at the Department of Elections at City Hall, which necessitated the use of various small offices throughout City Hall as well as other facilities (i.e., Bill Graham Auditorium, Brooks Hall and Pier 39), which made each task far more time-consuming, according to Ms. Hayashi. Additionally, Ms. Hayashi states that additional Overtime expenditures were incurred because of the high Permanent staff turnover.

A total of $199,436 was budgeted for Overtime for Permanent and Temporary employees in FY 2000-01, but, according to Mr. Minasian, $820,000 is projected to be spent by the end of FY 2000-01 on Overtime for both Permanent and Temporary employees, an increase of $620,564, or over 311 percent more than budgeted. Mr. Minasian advises that there is no budgeted Overtime for either Permanent or Temporary staff for the remainder of FY 2000-01. The expenditure of additional Overtime funds of $620,564 has already been incurred by the Department, prior to obtaining appropriation approval from the Board of Supervisors.

Mandatory Fringe Benefits
The Department is requesting an additional $86,845 to pay for the Mandatory Fringe Benefits associated with the projected deficits in Temporary Salary and Overtime-Miscellaneous costs identified above.

<u>Other Current Expenses</u>
The Department is requesting an additional $541,570 to offset the costs for (1) the longer 3-page ballots and Voter Information Pamphlets, (2) pollworker fees, (3) rental of polling locations, (4) increased postage and delivery costs, (5) additional printing expenses, (6) community outreach and advertising, (7) translation services, (8) computer programming assistance, (9) the rental of vehicles, property and equipment and (10) the service fee payment to ESS. Some of the more significant cost overruns are discussed below.

The Department had estimated ballot costs of $512,000 based on a two-page ballot for the November, 2000 election, but the large number of initiatives and candidates required a three-page ballot, which cost $738,853, $226,853 or 44.3 percent more than budgeted. According to Ms. Hayashi, the Department did not know the length of the ballot until after the FY 2000-01 budget was approved, because the due date filing ballot measures was August 9, 2000 and the due date for the candidate filings was August 16, 2000. Therefore, Ms. Hayashi advises that it was impossible to know the length of the ballot until September of 2000. Mr. Minasian notes that the Department budgeted $306,400 for the ballots for the December runoff election, but only spent $205,244, a savings of $101,156, which the Department used to partially offset the increased cost from the November election. Therefore, the total additional costs for the ballots was $125,697 ($226,853 less $101,156).

In addition, the Department estimated costs of $485,000 for the Voter Information Pamphlet based on a 175-page historical average, but the actual November Pamphlet was 300 pages, which cost $654,093, including all of the additional translation and printing costs, an increase of $169,093, or 34.9 percent. Mr. Minasian advises that the Voter Information Pamphlet for December was estimated to cost $131,500, but only cost $95,561, a savings of $35,939, which the Department again used to partially offset the increased costs of the November Voter Information Pamphlet. Therefore, the total deficit for the Voter Information Pamphlet was $133,154 ($169,093 less $35,939).

According to Ms. Hayashi, California State Election Code Section 12304 requires that at least 3 poll workers, including one Inspector, be placed at each polling location. Ms. Hayashi states that there are 637 polling places in San Francisco. Therefore, the Department needed to hire at least 1,911 poll workers. Ms. Hayashi states that the Department hired approximately 2,792 or approximately 4.4 poll workers per polling site for the November election and approximately 2,167 or 3.4 poll workers per polling site for the December election. According to Ms. Hayashi, the Department hired these additional poll workers to ensure that there were sufficient poll workers to assist voters in using the new optical voting technology system. Ms. Hayashi states that the daily pay rate for the poll worker is $82 and $105 for the Inspectors. The total cost for the poll workers, including training and related fees was approximately $416,000 in November and $230,000 in December, for a total cost of approximately $646,000 for both elections.

The Department also significantly underestimated the costs of postage at $386,500. The actual postage cost was $808,500, $422,000 or 109.2 percent more than the amount budgeted for the Voter Information Pamphlets and the absentee ballots for both the November and December elections.

In addition to the costs of renting the 637 polling sites at an estimated cost of $89,000 for the two elections, the Department budgeted a total of $50,000 for the rental of facilities, equipment and vehicles for FY 2000-01, the same amount budgeted in FY 1999-2000. However, the Department actually projects spending $59,322 for the rental of facilities, $80,904 for rental of equipment (including a total of $23,636 for portable toilets at various polling sites) and $101,556 for the rental of vehicles, for a total rental cost of $241,782, which is $191,782 or 383.6 percent more than the $50,000 the Department budgeted.

Also included in these Other Current Expenses is an additional $251,000 service fee payment to Election Systems and Software, Inc. (ESS), the optical scanning technology equipment vendor (See Comment No. 7).

Mr. Minasian states that in addition to the total budgeted costs of $2,469,669 for Other Current Expenses, an additional $1,173,791, or 47.5 percent more than budgeted is projected to be expended by the end of FY 2000-2001, for a total of $3,643,461. The additional $1,173,791 includes (1) $125,697 for the ballots, (2) $133,154 for the Voter Information Pamphlet, (3) approximately $75,500 for the additional poll workers, (4) $422,000 for postage, (5) $191,782 for the rental of facilities, equipment and vehicles and (6) $225,658 for various miscellaneous increases. Mr. Minasian advises that the additional $1,173,791 in Other Current Expenses will be covered by the proposed supplemental appropriation in the requested amount of $541,570, as well as with $540,556 in unexpended capital project carry-forward funds remaining from the supplemental appropriation in FY 1999-2000 and $91,665 in interdepartmental recovery funds[1] (See Comment No. 4).

Materials and Supplies

The Department is requesting an additional $316,971 for Materials and Supplies to primarily pay for the costs of 4,600 new voting booths. According to Ms. Hayashi, the Department had budgeted $375,000 for the cost of these new voting booths based on a verbal agreement between the booth vendor, Election Data Corporation, and a previous Department of Election Division Manager that the vendor would honor a trade-in. However, according to Ms. Hayashi, the vendor did not honor the voting booth trade-in, which meant that the Department under-budgeted for the costs of the voting booths by approximately $230,000, since the total cost of the voting booths was $605,000 ($375,000 plus $230,000). Ms. Hayashi further states that since the trade-in agreement was only a verbal agreement between the vendor and a prior Department employee, and documentation is not

[1] Mr. Minasian advises that the Department will receive a total of $91,665 of workorder funds from the Retirement Board and the Health Services Board to conduct their own Departmental elections for each of these City Boards.

available, the Department is not pursuing recovery of these additional costs. The new voting booths have an estimated life-span of 15 years. Mr. Minasian advises that that the remaining $86,971 (the $316,971 request less $230,000 for the voting booths) for Materials and Supplies is primarily for the increased costs for the envelopes and mailing of the larger than anticipated absentee and provisional ballots.

Equipment Purchase

The Department is requesting an additional $71,201 for (1) $6,201 in additional computer equipment costs and (2) $65,000 in net interest costs for the optical voter machine lease. It should be noted that a total of $3,249,739 was budgeted for equipment purchases, primarily for the new optical voting technology system for the Department in FY 2000-01.

Dept. of Telecommunication and Information Services (DTIS)

The Department is requesting an additional $122,416 to pay the Department of Telecommunication and Information Services (DTIS) for the staff and technical assistance during the implementation of the optical scan voting system and for routine support of the Department of Elections network and computer equipment needs. Ms. Hayashi advises that the Department needed additional DTIS support because they were unable to hire an in-house information systems person, whom they had hoped to hire earlier, and therefore they underbudgeted the amount they needed for DTIS. Ms. Hayashi advises that with the in-house information systems staff which have now been hired, the DTIS assistance should be reduced in the future. The expenditure of this $122,416 for additional DTIS services has already been incurred by the Department, prior to obtaining appropriation approval from the Board of Supervisors.

DTIS-Citywatch

The Department is requesting an additional $7,829 to pay for the crew, equipment and videotape provided by Citywatch for the production and post-production of the Department's Public Service Announcement and informational videos created between August 3, 2000 and

October 16, 2000. The expenditure of this $7,829 for these Public Service Announcements and informational videos has already been incurred by the Department of Elections, prior to obtaining appropriation approval from the Board of Supervisors.

City Attorney

The Department is requesting an additional $15,000 to pay for Ms. Hayashi's salary and fringe benefits for the remainder of the FY 2000-01. According to Ms. Hayashi, she was assigned to duties including contract management and Community Outreach Manager for the Department of Elections beginning in February of 2000. The Department originally budgeted $60,000 as a workorder for the City Attorney for FY 2000-01. If the proposed supplemental appropriation of $15,000 is approved, a total of $75,000 would be appropriated for City Attorney services this fiscal year.

According to Ms. Martie Moore from the City Attorney's Office, Ms. Hayashi's annual salary and fringe benefits total $137,580 and Ms. Hayashi is assigned full-time to the Department of Elections. Ms. Moore advises that she has billed the Department $68,790 for Ms. Hayashi's services from July 1, 2000 through December 31, 2000, and she will bill the Department of Elections an additional $68,790 for the second half of FY 2000-01, for a total of $137,580. Therefore, the proposed supplemental appropriation for the subject request for Ms. Hayashi's salary and benefits in the amount of $15,000 would not be sufficient to cover the additional costs of $68,790 for Ms. Hayashi, given the fact that the Department already owes the City Attorney's Office an additional $8,790 ($68,790 billed less $60,000 originally budgeted) for the first half of FY 2000-01. Therefore, the total projected amount owed to the City Attorney is $77,580 ($137,580 less $60,000 budgeted).

To pay for the additional City Attorney expense of $77,580, Mr. Minasian states that, the Department will use a $20,000 surplus in Mail Servicing, together with the proposed supplemental appropriation for $15,000. Mr. Minasian also indicates that the Department will

negotiate with the City Attorney for the remainder of the balance of $42,580.

Parking and Traffic

The Department is requesting an additional $47,724 to pay the Department of Parking and Traffic, for the November and December elections, in which the Department of Elections arranged to have Parking Control Officers (PCOs) pick up the optical scan system memory packs[2] from each of the polling places immediately after the polls closed and transport them to City Hall. The Budget Analyst questions the expenditure of these funds for DPT's PCOs to transport the optical scan system memory packs, instead of using some of the Department of Elections pollworkers from each site, especially since the Department of Elections had already hired additional pollworkers to staff each election site and rented numerous vehicles. According to Mr. Phillip Paris, the Acting Director of Elections, the pollworkers did not deliver the memory packs to City Hall because most did not have their own vehicles and the Election Inspector had to wait until the ballots were picked up by the Department of Public Works, which would have caused significant delays. The expenditure of this $47,724 has already been incurred by the Department prior to obtaining appropriation approval from the Board of Supervisors.

Purchasing – Reproduction

The Department is requesting an additional $10,000 to pay the Reproduction Division of the Purchasing Department for the costs of poll worker training manuals and voter information packets. The expenditure of this $10,000 has already been incurred prior to obtaining appropriation approval from the Board of Supervisors. According to Mr. Minasian, additional expenditures beyond this requested $10,000 will not be workordered to Reproduction Services for the remainder of the fiscal year.

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[2] The optical scan system memory packs record the votes as the ballots are scanned into the Eagle, the optical scan voting machine that reads the ballots. The memory packs can be removed from the Eagle and taken to City Hall where the voting results are downloaded. The votes are subsequently certified.

Department of Public Works - Building Repairs

The Department is requesting an additional $75,000 to pay the Building Repair Division of the Department of Public Works (DPW) for the costs of making modifications and repairs to the Department of Elections office and public spaces, that were used temporarily for the November and December elections of 2000 (See Comment No. 5).

Department of Public Works – Administration

The Department is requesting an additional $125,000 to pay DPW's Administration Division because the November, 2000 three-page ballots were too heavy for the poll workers to transport. As a result, the Department of Elections arranged for DPW staff to both deliver the November ballots to each precinct on election morning and to pick them up that evening. For the one-page December election, the poll workers transported the ballots themselves (See Comment No. 6).

Comments:

1. Attachment 1, provided by Ms. Hayashi, explains some of the factors associated with the new voting technology that was implemented for the November and December 2000 elections, which partially resulted in the projected deficit necessitating this proposed supplemental appropriation request. In addition, Mr. Paris, who was hired in November of 2000, advises that a high turnover in the Department's Division Manager staff also resulted in a lack of adequate management and supervision of Temporary personnel, Overtime and some of the Other Current Expenses during this period. According to Mr. Minasian, there are four Permanent Division Manager positions within the Department including (1) one Division Manager position which has been vacant for over one year, (2) one Division Manager position which has remained vacant since the Spring of 2000, (3) one Division Manager position which became vacant in October of 2000, and (4) one Division Manager position which became vacant in February of 2001. As a result, there are no Division Manager positions currently filled in the Department. In addition, the Director of the Department is currently on maternity leave. Mr. Minasian advises that these positions will remain vacant for the rest of this fiscal year, in order to provide Permanent Salary Savings

of $332,046 to offset a portion of the Temporary Salary funds requested in the subject supplemental appropriation.

2. The Department of Elections had an original total FY 1999-2000 budget of $4,455,403, to cover their annual operating expenses, including the costs of the November of 1999 election and the March of 2000 election. Exactly one year ago, in March of 2000, the Board of Supervisors approved a General Fund supplemental appropriation for $2,290,097, primarily to cover the one-time costs of (1) an unplanned third election in FY 1999-2000 for the December of 1999 Mayoral and District Attorney run-off election ($1,482,730), (2) purging the voter rolls ($210,309), (3) upgrading the Department's information and voter registration scanning systems ($497,058) and (4) providing funding for the necessary project management and critical technical resources to ensure that the new optical scan vote count system was implemented successfully ($100,000). The Department thus received a total budget of $6,745,500 in FY 1999-2000.

For FY 2000-2001, the Board of Supervisors approved a budget of $10,051,234 for the Department, which was $5,595,831, or approximately 126 percent more than the FY 1999-2000 original budget to cover the Department's annual operating and capital expenses, including the anticipated costs of a November of 2000 General Election and a December of 2000 runoff election. The primary FY 2000-2001 budgetary increases of $5,595,831 included (1) $3,241,739 for the purchase of a new optical scan vote count system, (2) $1,003,416 for a new Election Services Project, which was a special enhanced project team intended to ensure the successful implementation of the new optical scan vote count system, and (3) $969,013 for additional expenditures related to the ballots for the new optical scan vote count system.

The proposed supplemental appropriation request for an additional $2,538,692 would result in a total budget appropriation of $12,589,926 for the Department of Elections in FY 2000-01, or $5,844,426, or 86.6 percent

more than the FY 1999-2000 total revised budget of $6,745,500.

3. The Budget Analyst notes that of the requested supplemental appropriation of $2,538,692, approximately $1,838,692 has already been expended, without obtaining prior appropriation approval from the Board of Supervisors. According to Mr. Paris, the former Director of Elections, Patricia Fado, authorized these much higher than anticipated expenditures. Ms. Taylor Emerson of the Mayor's Office advises that the former Director of the Department of Elections verbally notified the Mayor's Office prior to the November of 2000 election that the Department of Elections would not have sufficient funds in their budget to conduct the November and December 2000 elections, and would require a supplemental appropriation during FY 2000-01 to cover these additional expenses. However, the Budget Analyst was not provided with such notification for the Board of Supervisors. Attachment 2, provided by Mr. Paris identifies plans that the Department has to contain costs in the future, including one-time only expenditures that occurred during FY 2000-2001 that are not expected to occur in subsequent years.

4. The Budget Analyst's review of the Controller's records found that the Department shifted $900,000 from Capital Expenses to cover the additional Other Current Expenses that the Department was incurring. The Department had budgeted $3,241,739 for Capital Expenses for the purchase of the optical scan voting technology system and to date, has authorized payments of $2,400,000 for this system through a third party loan arrangement, leaving a remaining balance of approximately $800,000 to be paid, assuming interest earnings on the original loan amount. However, the Department is currently negotiating with the optical scan voting technology system vendor, ESS, to determine whether the City should continue to purchase this system or apply the previous payments to a lease of this equipment, such that the $800,000 additional purchase payments might not be necessary and to resolve outstanding contract issues (See Comment No. 7). Ms. Hayashi advises that the amount that will be due to ESS may change as a result of these negotiations.

The Budget Analyst therefore recommends that the Department reserve $800,000 from the subject supplemental appropriation request, pending the outcome of these contract negotiations. The $800,000 reserve would include $541,570 from Other Current Expenses, $71,201 from Equipment Purchase and $187,229 from Materials and Supplies. In addition, the Budget Analyst recommends that the Board of Supervisors reserve an additional $251,000 from the Department's already appropriated funds for Other Current Expenses for the Election Systems and Software, Inc. service fee payment, pending the outcome of the contract negotiations and potential modifications (See Comment No. 7).

5. According to the DPW, a total of $73,195, not $75,000 was billed to the Department of Elections for modifications and repairs. Therefore, the subject supplemental appropriation should be reduced by $1,805.

6. The Department has requested $125,000 to pay DPW for DPW's staff overtime costs incurred to transport the ballots from each precinct before and after the election. However, the Budget Analyst notes that these same overtime costs were included in the DPW's request for release of $504,225 of overtime costs (File 01-0268). Therefore, the requested $125,000 should be deleted from the subject supplemental appropriation.

7. The Department selected Election Systems and Software, Inc. (ESS) in March of 1999 following a RFP issued by the Department in January of 1998, to supply the Department with optical voting machines. As previously reported, the Department believed that part of the cause for the increased cost to the City was because ESS failed to provide support services during the November and December of 2000 elections. Ms. Hayashi notes that the Department has recently completed the first phase of negotiations with ESS and has determined that ESS owes the City at least $176,000 for contract nonperformance issues during the November and December of 2000 elections. Mr. Minasian advises that such monies owed to the City by ESS would be remitted to

the General Fund or extended as a credit against future lease or purchase payments.

Ms. Hayashi advises that she is continuing to negotiate with ESS regarding contract modifications in order to preserve the Department's flexibility in the future, when it plans to upgrade to touch-screen voting, estimated to cost approximately $10 million to $12 million. Although the Department had proposed to purchase the optical voting technology system from ESS, as previously noted, the Department is currently analyzing the option of applying the previous purchase payments as lease payments for this equipment, such that whether there will be the need for additional payments and the amount of such payments to ESS are not currently known.

Ms. Hayashi cannot estimate the costs or savings at this time that the City may realize from any contract modifications because these negotiations are presently in progress. Therefore, as noted in Comment No. 4 above, the Budget Analyst recommends that (1) the additional $800,000 of Capital funds that were to be expended on the ESS purchase should be reserved, (2) the $251,000 service fee payment to ESS that has previously been appropriated be reserved and (3) the Department report back to the Finance Committee the results of these negotiations with ESS so that the Committee and the full Board of Supervisors can be aware of any technological and contract changes as well as fiscal impacts that may occur due to such negotiations.

8. Mr. Minasian advises that the Department received a total of $24,627 from numerous individuals and organizations to offset the costs of the Department of Elections conducting the recount from the District 7 Board of Supervisors Runoff Election in December. Ms. Hayashi advises that all of the Department's costs of the recount, which were identified by the California Secretary of State to be eligible for reimbursement, were offset with the $24,627 of revenues received.

9. According to Ms. Hayashi, the City permits individuals to submit paid arguments on ballot measures to be printed in the Voter Information Pamphlet. Currently, the Department charges a $200 fee plus $2 a word for these paid arguments. Ms. Minasian reports that these fees generated total revenues of $113,000, which does not fully cover the actual costs of including the paid arguments in the Pamphlet. The Department reports that the Voter Information Pamphlet for the November election cost $654,093. Ms. Hayashi advises that to more fully cover the costs of including these arguments in the November Pamphlet, the Department would have had to charge a $500 fee plus $5 a word. However, the Department must receive Board of Supervisors approval before the Department can change the fees it charges for paid arguments. Ms. Hayashi notes that San Francisco is the only local California jurisdiction which includes paid arguments in its Voter Information Pamphlets. As of the writing of this report, Ms. Hayashi has not submitted legislation to the Board of Supervisors to change these fees.

10. Revenues for the Department from the paid ballot arguments ($71,000) and the candidate fees ($85,000) were budgeted at $156,000 for FY 2000-01. Actual revenues indicate that the paid ballot arguments generated $113,000 and candidate fees generated $53,606 for a total of $166,606 from these sources, or approximately $10,606 more than the $156,000 budgeted for Fiscal Year 2000-2001.

11. In response to the March 14, 2001 Finance Committee's inquiries, the Department of Elections, in conjunction with the Controller's Office City Projects, provided a 25-page written memorandum to the Finance Committee on April 3, 2001 on reorganizing and staffing for the Department of Elections (DOE). This memorandum states that "Due to the multiple changes in senior and line management over the past several years, the DOE has lacked strong accountability for spending, especially as applied to use of staff. It has also been without the ability to plan." The proposed reorganization and staffing changes outlined in the memorandum are intended to address the DOE's previous lack of accountability and planning. To develop the proposed

reorganization plan, DOE compared the Department of Election organization charts with seven other California counties, including Alameda, Contra Costa, Kern, Los Angeles, Sacramento, San Diego and San Mateo Counties. The proposed DOE reorganization plan proposes to hire additional staff, while also eliminating some staff positions and reclassifying other positions.

Currently, the DOE has 15 Permanent staff and then hires Temporary staff during the peak election season to accommodate the increased workload. The proposed reorganization plan includes 20[3] permanent staff plus five permanent seasonal staff at approximately ¾ average time over an election year, or the equivalent of an additional 3.75 FTE permanent seasonal staff, for a total of 23.75 FTE staff, which would be 8.75 more FTEs than the 15 Permanent staff currently authorized in the DOE budget, a 58.3 percent increase in Permanent staff.

Attachment 3, which was included in the April 3, 2001 memorandum to the Finance Committee, identifies (1) the existing FY 2000-2001 DOE budget, (2) the actual projected budget for FY 2000-2001 including the subject supplemental appropriation and (3) the proposed requested FY 2001-2002 budget, which would include the requested additional 8.75 FTE Permanent staff positions discussed in the subject memorandum. As shown in Attachment 3, the requested additional 8.75 FTE Permanent positions will result in an estimated increase of $651,777 for Permanent Salaries. Attachment 3 also includes (1) $900,000 for Temporary Salaries for FY 2001-2002, which would be $647,472 less than the $1,547,472 actual projected expenditures for FY 2000-2001. However, the $900,000 in Temporary Salaries would be $49,567 more than the $850,433 budgeted for FY 2000-2001, and (2) $200,000 for Overtime for FY 2001-2002, which would be $530,000 less than the actual projected expenditures of $730,000 in FY 2000-2001, and comparable to the $199,436 budgeted for FY 2000-2001.

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[3] The proposed memorandum requests both 20 and 21 permanent positions, in different locations of the report. Based on discussions with Mr. Paris and Mr. Minasian regarding this inconsistency, the DOE advises that they are proposing 20 permanent staff positions, with the potential for one additional full-time staff position to be added which will be offset by a reduction of current DTIS expenditures.

The Budget Analyst notes that although the proposed memorandum discusses the need for better accountability and quality assurance in the DOE, there is no assurance that the addition of the proposed Permanent staff will be able to control future Temporary and Overtime expenditures, as well as the additional Non-Personnel costs that were incurred during the November and December of 2000 elections. The memorandum simply states that "We expect this allocation of permanent staff will greatly reduce the need for temporary and overtime salaries". The memorandum does not address the Non-Personnel expenses. Mr. Paris advises that the creation of the proposed additional Permanent staff would provide quality assurance and monitoring of expenditures.

12. In summary, the proposed supplemental appropriation for $2,538,692 would fund a projected deficit in FY 2000-2001, including $1,838,692 in costs incurred by the Department of Elections, prior to obtaining appropriation approval from the Board of Supervisors. Such costs are related to the November and December 2000 elections, as well as projected operating costs for the remainder of the fiscal year. For example, the Department of Elections overspent (1) Temporary Salaries by $829,618 or 78.9 percent more than budgeted, (2) Overtime-Miscellaneous by $620,564 or over 311 percent more than budgeted, (3) Mandatory Fringe Benefits by $86,845 to reflect the additional Temporary Salary and Overtime-Miscellaneous expenditures, (4) Other Current Expenses by $1,173,791 or 47.5 percent more than budgeted, (5) Materials and Supplies by $316,971, (6) Equipment Purchases by $71,201, and the Services of Other City Departments by an additional $402,969, including the services of DTIS, City Attorney, Parking and Traffic, Reproduction and DPW. The new optical scanning voting technology system, as outlined in Attachment 1, partially resulted in the proposed increased election costs. In addition, as noted in Comment No. 1 above, a lack of adequate management and supervision of (a) Temporary personnel, (b) Overtime and (c) some of the Other Current Expenses contributed to the need for the proposed $2,538,692 supplemental appropriation request.

In FY 1999-2000, the Department of Elections had a total revised budget of $6,745,500 (including $2,290,097 for a supplemental appropriation in March of 2000) to cover the additional cost of three elections. For FY 2000-2001, the Board of Supervisors approved a budget of $10,051,234. The proposed supplemental appropriation request for an additional $2,538,692 would result in a total budget of $12,589,926 for the Department in FY 2000-2001, which is $5,844,426 or 86.6 percent more than the FY 1999-2000 total revised budget of $6,745,500. Attachment 2 identifies some cost containment plans prepared by the Department for the future.

The City Attorney recently completed negotiations with Elections Systems and Software, Inc. (ESS) pertaining to a potential default of some service contract provisions in the agreement between the City and ESS and has determined that ESS owes the City at least $176,000. Additionally, the Department of Elections is continuing negotiations regarding contract modifications to potentially change the current purchase agreement into a lease arrangement or other more flexible arrangements.

The DOE provided a 25-page memorandum dated April 3, 2001 to the Finance Committee outlining a proposed reorganization and staffing plan for FY 2001-02. This plan includes the addition of 8.75 FTE Permanent staff. However, there is no assurance that the addition of this Permanent staff will be able to control future Temporary and Overtime expenditures, as well as the additional Non-Personnel costs that were incurred during the previous elections. Mr. Paris advises that the creation of the proposed additional Permanent staff would provide quality assurance and monitoring of expenditures.

The Budget Analyst recommends that (1) $1,838,692 of the proposed supplemental be made retroactive since these costs have already been incurred by the Department, without obtaining prior approval from the Board of Supervisors, (2) the proposed supplemental be reduced by $126,805 for DPW expenses, (3) an additional

$800,000 of Capital funds that were to be paid to ESS for the purchase of optical voting technology system be reserved, (4) the $251,000 service fee payment to ESS, which has previously been appropriated be reserved, and (5) the Department report back to the Finance Committee the results of the negotiations with ESS so that the Committee is advised of any technological and contract changes as well as fiscal impacts that result from the negotiations.

Recommendations: 1. Reduce this proposed supplemental appropriation by $126,805 from $2,538,692 to $2,411,887 as shown in the following table:

	Amount Requested	Budget Analyst's Recommended Amount	Budget Analyst Recommended Reductions
Temporary Salaries	$498,572	$498,572	$0
Overtime-Miscellaneous	620,564	620,564	0
Mandatory Fringe Benefits	86,845	86,845	0
Other Current Expenses	541,570	541,570	0
Materials and Supplies	316,971	316,971	0
Equipment Purchase	71,201	71,201	0
Services of Other Departments			
DTIS	122,416	122,416	0
DTIS – Citywatch	7,829	7,829	0
City Attorney	15,000	15,000	0
Parking and Traffic	47,724	47,724	0
Purchasing-Reproduction	10,000	10,000	0
DPW-Building Repairs	75,000	73,195	1,805*
DPW- Administration	125,000	0	125,000**
Total	$2,538,692	$2,411,887	$126,805

* See Comment No. 5.

** See Comment No. 6.

2. Reserve a total of $800,000, including $541,570 from Other Current Expenses, $187,229 from Materials and Supplies and $71,201 from Equipment Purchase, in accordance with Comment Nos. 4 and 7 above.

3. Amend the proposed ordinance to reserve an additional $251,000 of previously appropriated FY 2000-2001 funds for the Department in accordance with Comment Nos. 4 and 7 above.

4. Amend the proposed ordinance to provide for retroactive approval of the subject $2,538,692 supplemental appropriation since the Department has already expended or incurred approximately $1,838,692 of these expenses, without first obtaining appropriation approval from the Board of Supervisors.

5. Request the Department of Elections to report back to the Finance Committee as to the results of the final contract renegotiations with Elections Systems and Software, Inc. pertaining to any technological, contract and fiscal impacts regarding this contract, in accordance with Comments No. 4 and 7 above.

6. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Attachment 1

DEPARTMENT OF ELECTIONS
City and County of San Francisco

PHILLIP SÁNCHEZ PARIS
Acting Director of Elections

TO: Maureen Singleton
Budget Analyst's Office

FROM: Christiane Hayashi
Department of Elections

RE: Supplemental Appropriation Request

DATE: February 28, 2001

The need for a supplemental appropriation for the Department of Elections has arisen due to several factors associated with implementing a new voting technology in the Presidential election of November 7, 2000.

The new system introduced new variables, so that the logistical requirements for a successful election were very complex and work intensive to develop the first time. For example, poll workers had been accustomed to bring ballots back to City Hall at the end of the night. With the new system it was necessary to plan and execute pick-up routes throughout the City to pick up the large ballot boxes and the heavy ballots.

The new system also depended on poll worker recruitment and training to ensure sufficient poll workers to assist voters. Developing materials for training, training trainers, recruiting and scheduling several thousand poll workers for planned training sessions and distributing the larger precinct supplies was a critical task that required a relatively high level of staffing.

The ballot's size contributed substantially to labor costs. Absentee ballots were more time consuming to assemble for mailing, and took more time to be prepared for processing through the central counting machines. An advantage of the new system also increased costs: new paper ballots made it possible to correct ballots that clearly demonstrated voter intent but that could not be read by the optical scanner. A significant amount of labor went into remaking approximately 20,000 ballot cards to be sure that the votes were counted.

Lack of space for processing ballots also increased costs. Using the small conference rooms of the City Hall basement to store heavily loaded mail carts made the extensive ballot sorting needed for the canvass of the election immensely difficult. The far-flung locations of the several operational centers of the department and the size of the ballots and voting machines to be transported increased automobile rental costs.

The popularity of the election also contributed to cost overruns. The Department processed18 local measures and over 120 local candidates for the November election. The number of candidates and issues on the ballot increased the size of the Voter Information Pamphlet, which in turn increased translation, printing and mailing costs. An unprecedented number of paid ballot arguments constituted 40% of a 300 page Voter Information Pamphlet. The number of issues and candidates on the ballot also increased the size of the ballot from two cards to three cards, substantially increasing printing and handling costs.

Some of the cost overruns were attributable to contract issues with the vendor of the voting system. The Department is currently working to recover additional costs attributable to the contractor.

DEPARTMENT OF ELECTIONS
City and County of San Francisco

PHILLIP S. PARIS, PH.D.
Acting Director

Attachment 2

BUDGETARY JUSTIFICATION FOR SUPPLEMENTAL REQUEST

Future Cost Saving Plans

1. Ballot Processing: Currently, we are searching for a large warehouse facility in order to prepare, deliver, and retrieve ballots. By consolidating this process, including absentee and provisional ballots, temporary employee costs in terms of number needed and overtime will be reduced substantially.
2. Voting machine delivery and pickup: We are renegotiating with the vendor to comply with the terms of the initial contract regarding primary responsibility for the delivery and pickup of the Eagle and blue bins.
3. Precinct Poll setup and closeout: We intend to do extensive training of poll workers in the setting up and closing of precinct polling sites. By reducing the possibilities of inadequate processing at the precinct sites, we also shall reduce transportation and temporary worker needs.
4. Consolidation of precinct voting sites: With Board approval, we plan to recommend an additional number of consolidated precinct polling sites. By reducing the number of single sites, we also shall be able to reduce transportation costs.
5. Expansion of early voting sites: With Board approval, we plan to recommend an extension of the time for early voting, as well as, provision of a number of public sites in addition to City Hall.

   A series of one-time costs are important to list here.

6. No additional acquisition costs for polling booths.
7. No additional training needs to utilization of optical scan machine.
8. No additional need for a special projects team to develop and conduct election.
9. No additional need for DTIS special training.
10. No additional need for DPW delivery and pickup services.

3-7-01

1 Dr. Carlton B. Goodlett Place – Room 48, San Francisco, CA 94102-4634
Voice (415) 554-4375; Fax (415) 554-7344; Absentee Fax (415) 554-4372; TDD (415) 554-4386

PROPOSED FY 01-02 PERSONNEL BUDGET
DEPARTMENT OF ELECTIONS

Attachment 3

		FY 00-01 Budget	FY 00-01 Actual (Projected)	FY 01-02 Request	Reduction from FY 00-01 Actual
00100	Permanent Salaries	1,009,084	661,339	1,313,116	651,777
00500	Temporary Salaries	850,433	1,547,472	900,000	(647,472)
00901	Premium Pay	8,000	9,000	10,000	1,000
01101	Overtime	199,436	730,000	200,000	(530,000)
	Total	2,066,953	2,947,811	2,423,116	(524,695)

Memo to Finance Committee
April 11, 2001 Finance Committee Meeting

Item 2 – File 01-0532

Note: This was continued by the Finance Committee at its meeting of April 4, 2001.

Department: Department of Public Works (DPW)
Department of Parking and Traffic (DPT)

Item: Resolution approving the Cooperative Agreement between the City and County of San Francisco and the State of California Department of Transportation (Caltrans) for the construction and financing of a bicycle overcrossing and at-grade pedestrian/bicycle path widening adjacent to Highway 101 at Cesar Chavez Street in San Francisco and directing and ratifying certain actions in connection with this Resolution.

Project Amount: $3,349,806

Source of Funds:
$570,000 - State Flexible Congestion Relief
$3,986,000 - State Transportation Improvement Program
$4,556,000 – Total (See Comment No. 1)

Required Match: None

Description: In March of 1997, the Board of Supervisors authorized the Department of Parking and Traffic (DPT) to apply for, accept and expend up to $570,000 in State Flexible Congestion Relief funds for the planning and design of a bicycle bridge on Cesar Chavez Street adjacent to Highway 101 (File 192-97-3). In December of 1999, the Board of Supervisors authorized DPT to accept and expend up to $3,986,000 in State Transportation Improvement Program (STIP) funds in connection with the construction of Cesar Chavez Street improvements, including the construction of bicycle, pedestrian and traffic circulation improvements (File 99-2192). DPT has therefore received authorization from the Board of Supervisors for a total of up to $4,556,000 of State funds to plan, design and construct the proposed bicycle and pedestrian improvements on Cesar Chavez Street, adjacent to Highway 101.

The proposed resolution would approve a Cooperative Agreement between the City, through DPW, and Caltrans for the construction and financing of a bicycle overcrossing and an expansion of an at-grade pedestrian and bicycle path along Cesar Chavez Street, within the Caltrans Highway 101 right-of-way.

Specifically, the proposed project would involve the construction of an approximately 300 foot long and 12 foot wide bicycle overcrossing along the north side of Cesar Chavez Street between Vermont Street and Portrero Avenue. This bicycle overcrossing would include the addition of lighting fixtures and wire mesh fencing along both sides of the overcrossing. In addition, the proposed project includes the widening to approximately 12 feet of an existing eight foot wide bicycle and pedestrian path on the opposite, south side of Cesar Chavez Street, between Potrero Avenue and Vermont Street. The proposed project would extend under Highway 101 in order to provide a safer path for bicyclists and pedestrians who want to travel east and westbound along Cesar Chavez Street.

In addition, as part of the Art Commission's Art Enrichment Program, the proposed project will include the construction of a metal sculpture depicting Quetzalcoatl, a feathered serpent god of air and water which will be placed at the northeastern entrance to the bicycle overcrossing, near the northbound Highway 101 on-ramp. This sculpture, which was designed and constructed by the neighborhood artist, Mr. Pepe Ozan, will be located eight feet above the ground and will span over and around the bicycle and pedestrian path, forming an entranceway portal.

Under the proposed Cooperative Agreement, DPW would be responsible for planning, designing and constructing the proposed bicycle, pedestrian and transit improvements. In addition, the City would be responsible for maintaining the lighting fixtures, including electrical and energy costs. Caltrans

would be responsible for the ongoing maintenance of the remainder of the improvements.

Budget:

Planning	$175,000
Design	347,100
Construction	2,293,369
Construction Contingency (10%)	229,337
Construction Support	305,000
Total	$3,349,806

The Attachment, provided by Ms. Lesley Wong of DPW provides additional budget details. As shown in the Attachment, DPW, DPT, the Planning Department, Human Rights Commission and Arts Commission staff, with the assistance from two consultants will provide the Planning, Design and Construction Support for this project. Ms. Wong advises that the two consultants, (1) Biggs Cardosa Associates and (2) AGS- Geotechnical Consultants were selected from a list of as-needed consultants, who are selected each year by DPW through a request for proposal process.

As shown in the Attachment, $14,000 for the Art Enrichment portion of the project is included as part of the Design costs, under the Arts Commission. As discussed in the Description above, the Art Commission's Art Enrichment project will include the construction of a metal sculpture depicting Quetzalcoatl, a feathered serpent god of air and water which will be placed at the northeastern entrance to the bicycle overcrossing. Ms. Wong advises that the $14,000 Art Enrichment project has been determined to be eligible for funding with the subject $3,986,000 of STIP funds.

Comments:

1. As discussed above, DPT has received authorization for a total of up to $4,556,000 of State funds to plan, design and construct the proposed bicycle and pedestrian improvements on Cesar Chavez Street, adjacent to Highway 101. However, as shown in the above budget, the total projected cost of the proposed project is $3,349,806

or $1,206,194 less than the up to $4,556,000 of grant funds authorized for this project.

According to Ms. Tina Olson of DPW, these State grant funds are received by the City on a reimbursement basis, such that the City will only receive the amount of funds that are actually expended on this project. Mr. Ed Stewart of the County Transportation Authority advises that any of the up to $4,556,000 of State funds remaining at the completion of the project, that are not spent for this project, would not be available for use by the City for any other City project, but instead would be reallocated by the State.

2. Ms. Wong advises that, in September of 2000, the proposed bicycle and pedestrian project was advertised under DPW's competitive bidding process. According to Ms. Wong, both of the bids that were received were rejected because these bids were significantly higher than DPW's estimates. The project was re-advertised in December of 2000. Based on the second bidding process, DPW received two bids, one from Mitchell Engineering for $2,503,442 and one from Valentine Corporation for $2,293,369. Ms. Wong advises that DPW awarded the contract to Valentine Corporation, the low bidder, and a notice to proceed with the construction work was issued to Valentine Corporation on March 12, 2001.

3. According to Ms. Wong, Caltrans requires that the subject Cooperative Agreement be approved by the Board of Supervisors before Caltrans will issue an encroachment permit for the proposed construction work. According to Ms. Wong, the contractor, Valentine Corporation, cannot begin their construction work within the Highway 101 right-of-way until the contractor receives this encroachment permit from Caltrans.

Ms. Wong advises that once Caltrans issues the encroachment permit to the contractor, the construction will begin. According to Ms. Wong, construction is anticipated to begin by mid-April of

2001 and to be completed in approximately one year, or by the Spring of 2002.

4. The proposed Cooperative Agreement states that the City shall defend, indemnify and hold harmless the State from all project claims against the State and the payment or performance bond by contractors and all other claimants and the proposed Cooperative Agreement also provides for reciprocal City and State indemnifications regarding future claims. Mr. John Malamut of the City Attorney's Office advises that he has reviewed the indemnification provisions in the subject Cooperative Agreement and that these provisions are appropriate for the proposed project.

Recommendation: Approve the proposed resolution.

Attachment

BUDGET DETAILS

Phase		Amount
Planning		$175,493.00
DPW - Electrical	$1,000.00	
DPW- Sts & Hwys	$16,500.00	
Biggs Cardosa Associates	$39,000.00	
AGS - Geotechnical Consultants	$50,690.00	
DPT - Project Management	$50,000.00	
DPT Traffic	$10,000.00	
Planning Department - Fees	$78.00	
Planning Department - Arch Record Search	$225.00	
BCM - Survey	$8,000.00	
Design		$347,100.00
DPW - Electrical	$30,000.00	
DPW - Sts & Hwys	$60,800.00	
DPW - Landscape Architecture	$2,000.00	
DPW - Structural	$63,100.00	
DPW - Project Development	$1,000.00	
DPW - QA/AC	$2,500.00	
DPW - Public Affairs	$1,500.00	
DPW - BCM	$10,700.00	
BCM - Contract Prep	$10,000.00	
DPT - Project Management	$10,000.00	
DPT Traffic	$30,000.00	
Biggs Cardosa Associates	$109,000.00	
HRC	$2,500.00	
Arts Commission	$14,000.00	
Total:		$522,593.00

Construction		$2,293,369.00
ConstructionContingency		$229,337
Construction Support		$305,000.00
DPW - Electrical	$6,000.00	
DPW - Sts & Hwys	$40,000.00	
DPW - Structural	$1,400.00	
Biggs Cardosa Associates	$44,000.00	
DPW - BCM	$153,600.00	
DPT - Project Management	$50,000.00	
DPT - Traffic	$10,000.00	
Total:		$2,827,705.90

Total $3,349,806

Item 3 - File 01-0529

Item: Ordinance amending Chapter 16, Article 1 of the Administrative Code by adding Section 16.5 to create an official holiday for March 31st of each year, the birthday of Cesar Chavez.

Description: The proposed ordinance provides that a) March 31st shall be a holiday, known as "Cesar Chavez Day"; and, b) that such a paid holiday shall be created for "represented employees of the City and County of San Francisco only to the extent allowed by ratified Memoranda of Understanding between the City and the affected recognized employee organizations". Similarly, for City employees whose compensation is subject to the provisions of Section A 8.409 of the Charter, in classes not represented by an employee organization, such a paid holiday would have to be included in the annual ordinance fixing compensation for such employees.

According to Ms. Molly Stump, Deputy City Attorney, in order for employees to get a paid City holiday, authorization must be specified in Memoranda of Understanding (MOU) approved by the Board of Supervisors. None of the City's MOUs currently list March 31st as a paid holiday. Most MOUs, however, authorize paid holidays for "any day declared to be a holiday by proclamation of the Mayor after such day has heretofore been declared a holiday by the Governor of the State of California, or the President of the United States" or similar language. Ms. Stump adds that the Governor signed legislation in 1995[1] proclaiming the date of March 31st as a holiday, subject to approval by individual Cities and Counties. Therefore, if the Board of Supervisors designates March 31st as a holiday by approving the proposed ordinance, the Mayor has the power to create such a paid holiday for most[2] represented City employees by issuing a proclamation. In the absence of such a proclamation, March 31st could be negotiated into the MOUs as a paid holiday, subject to approval by the Mayor and the Board of Supervisors.

According to Ms. Stump, as presently written, the proposed ordinance does not ensure a paid holiday (pending a proclamation by the Mayor or MOU approvals) should the date of March 31st fall on either a Saturday or Sunday. Ms. Stump adds that the sponsor

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[1] Subsequent legislation inserted the State Holiday of March 31st as a paid holiday for State employees effective August of 2000.

[2] Ms. Stump states that the largest MOU for represented employees without such a provision includes the Transit Operators employed by MUNI.

of the legislation may consider an amendment to the proposed ordinance to ensure a paid holiday for City employees if March 31st falls on a Saturday or Sunday.

As previously reported to the Finance Committee for a hearing on this matter on March 28, 2001 (File 01-0507) the fiscal impact of adding one additional official City holiday would result from increased expenditure requirements resulting from certain City employees, who staff functions including public safety (Fire and Police), Public Health (i.e. San Francisco General Hospital and Laguna Honda Hospital) Emergency Communications, Department of Public Works (DPW) and the Municipal Railway (MUNI). Such departments operate on a 24 hour per day and/or seven day per week basis and certain of their employees must be paid Holiday Pay, at overtime rates, when they work on an official City holiday.

The attachment to this report is an analysis of estimated increased salary and fringe benefit costs prepared by the Controller's Office. The Controller's analysis results in an estimate of total increased annual City-wide out-of-pocket expenditures of $4,344,718 at current rates of pay. Of this total, the estimated increased annual cost to the General Fund is $3,000,276.

The Controller's estimate employs the following assumptions:

- The estimate is based on the total salary budget for departments with primarily 24 hour per day and seven day per week operations. An estimated 15,953 full time equivalent positions were included in the Controller analysis. Not all staff in these departments are required to work on a holiday, but some staff of other operations (e.g. Water, Airport) would be required to work on a holiday but these latter two departments were not included in the Controller's analysis. The Controller believes that overall these factors would offset one another.
- The cost of one holiday may vary depending on which day of the week that the holiday is observed. For example, Muni service levels are different on New Year's Day and Veteran's Day when more businesses are open.
- Salary amounts are based on FY 2001-2002 base budget amounts and exclude premiums, overtime, and holiday pay.

- Only Fringe benefits that are based on wages (retirement, social security, unemployment) would be added to the cost. Health benefits are not included. The fringe benefit rates used are based on the FY 2001-2002 base budget amount.

Comment: The Controller's estimate does not consider the fiscal impact pertaining to the cost of lost productivity for personnel who are not required to staff functions on a 24 hour per day and/or seven day per week basis, but who would receive one additional holiday. In addition to the 15,953 full time equivalent positions used by the Controller in 24-hour day seven days per week operations, the City has an additional 12,707 full time equivalent positions (FTEs) for a total of 28,660 FTEs.

The estimated annual cost of lost productivity for the additional 12,707 positions, as a result of adding one additional holiday, is $2,023,506 (the average pay per day at straight time rates for these positions) including $916,400 to the General Fund based on known 2001-2002 rates of pay and fringe benefits.

When including all 28,660 City positions, the Budget Analyst estimates the total fiscal impact of adding one additional holiday would cost the City $6,368,224 annually including $4,344,718 for those personnel who would be required to work on a holiday at overtime rates and $2,023,506 from lost productivity for those personnel who receive one additional holiday. Of this total amount of $6,368,224, $3,916,676 annually would represent the cost to the General Fund including $3,000,276 for those personnel who would be required to work on a holiday at overtime rates and $916,400 from lost productivity.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Estimated Impact of One Holiday

Department	Title	General Fund Supported Subfunds	All Funds
DPT	Muni	-	216,706,108
DPW	DPW (Street & Sewer Repair only)	1,774,460	6,981,896
ECD	Emergency Communications	8,989,769	9,662,458
FIR	Fire	116,959,349	125,888,121
HCN	Community Health Network	264,632,270	269,460,163
HPH	Public Health	61,939,760	80,010,525
POL	Police	152,392,003	177,210,119
SHF	Sheriff	41,643,113	47,835,626
Total Salaries		648,330,724	933,755,016
	Estimated OT to fill behind one day	2,664,373	3,837,349
	Fringes	335,903	507,369
	Total	3,000,276	4,344,718

Notes:

(1) This high level estimate assumes that shifts regularly scheduled at straight time will have to be paid at time and one half to fill behind the regularly scheduled employees who are observing the new holiday.

(2) This estimate is based on the total salary budget for departments with primarily 24 hour/7 day operations. Not all staff in these departments is required to work on a holiday, but some staff of other operations (e.g. Water, Airport) would be required. We have assumed that these would roughly offset each other.

(3) The cost of one holiday may vary depending on the service level being provided. For example, Muni service levels are different on New Year's Day and than it is on Veterans Day when more businesses are open.

(4) This estimate does not consider the cost of lost productivity for non-essential personnel.

(5) Salary amounts are the FY 2002 base budget amounts and exclude premiums, overtime, and holiday pay.

(6) Fringe benefits are those based on wages (retirement, social security, unemployment). The rate used is based on the FY 2002 base budget amount.

Source: Controller's Office; 3/22/01

Item 4 - File 01-0398

Department: Recreation and Park Department (RPD)

Item: Hearing to consider release of reserved funds for the Recreation and Park Department, for the Fiscal Year 2000-2001 budget, in the amount of $1,214,826 to allow the Department to hire staff to manage, design and oversee construction of those facilities anticipated in the Department's Capital Plan.

Amount: $1,214,826

Source of Funds: Proceeds from the General Obligation Neighborhood Recreation and Park Facilities Improvement Bonds 2000, previously appropriated and placed on reserve by the Board of Supervisors. The Neighborhood Recreation and Park Facilities Improvement Bonds 2000, which authorized $110,000,000 in General Obligation Bonds, were approved as Proposition A by the voters in March of 2000.

Description: The Recreation and Park Department (RPD), in its budget for Fiscal Year 2000-2001, requested funding for Salaries for 16 new positions to staff a reorganized Capital Division (previously referred to as the RPD Planning Division), which would be charged with planning, directing and overseeing construction of RPD's $400 million Capital Plan. The Board of Supervisors approved all of the 16 new positions, but placed on reserve $1,214,826 in Salaries to fund all 16 positions, pending submission to the Board of Supervisors of the following information by RPD:

- A justification for the proposed 16 new positions, including an analysis that compares the cost and effectiveness of having RPD oversee and manage its own capital projects with the cost and effectiveness of having of the Department of Public Works (DPW) oversee such capital projects, as has been customarily done in the past. Proposition C, which extended the Park Recreation and Open Space Fund by 30 years and was approved by voters in March of 2000, authorized RPD such oversight over its capital

projects, as discussed below. The information to be provided to the Board of Supervisors was to ensure that there would not be any material duplication of efforts between the functions of RPD's new Capital Division and similar functions previously under the responsibility of DPW. In addition, this analysis was to address existing RPD employees, who previously provided a function similar to the 16 new positions to be assigned to the Capital Division.

- A cost-benefit analysis that compares the cost of RPD overseeing its own Capital Plan with the cost of having DPW oversee RPD's Capital Plan.

- A budget for identifying overhead costs that would be incurred as a result of establishing the new Capital Division, such as any costs for increased space requirements, furnishing, computer equipment and other related costs.

RPD's Capital Plan

RPD's 10-year Capital Plan discussed below, outlines RPD's plans to renovate all of San Francisco's Neighborhood Park facilities. The goal of the program is to renovate, restore and/or build new facilities in order to return the City's 227 parks and recreation facilities to their original, or an improved, condition and to comply with the City's current Building Codes. Mr. Gary Hoy, Capital Program Manager for RPD, advises that the Capital Plan consists of all of San Francisco's 227 Neighborhood Park facilities that will be rehabilitated in at least 227 separate projects (many facilities will require more than one project). All the facilities currently operated by Recreation and Park are included in the RPD's 10-year Capital Plan. Additional facilities will be added as new acquisitions are completed. Examples of such acquisitions include current negotiations by RPD to purchase Hawk Hill in Supervisorial District No. 7 and Esprit Park in Supervisorial District No. 10, which will be acquired with a combination of Park Recreation and Open Space Fund monies and proceeds from the Neighborhood

Recreation and Park Facilities Improvement Bonds 2000, according to Mr. Hoy.

Attachment I, provided by RPD, explains the criteria RPD uses to select projects, to determine which projects will be completed first and to ensure that project funds are distributed equitably throughout the City. According to Mr. Hoy, RPD will provide to the Finance Committee at its meeting of April 11, 2001 a list of all Neighborhood Park facilities to be renovated as part of RPD's 10-year Capital Plan, grouped by Supervisorial District. The Budget Analyst requested that RPD provide a listing of all projects that have been funded to date, and/or are expected to begin during Fiscal Year 2000-2001 and Fiscal Year 2001-2002, including, for each project, a brief description, the location, total cost, and estimated commencement and completion dates. However, at this point in time, RPD was unable to readily provide such a document given the large number of projects that would have been included in the list (approximately 115 to 193 projects). Mr. Hoy states in Attachment I that, "the Capital Plan is not 'static' and is meant to be a 'road map' guiding the direction of the Capital Program for the next 10 years." Mr. Hoy advises that one of the main responsibilities of the proposed 16 new employees would be to determine for each of the facilities included in the Capital Plan what kind of renovation work is necessary, a project budget and a project schedule.

The Budget Analyst notes that all of the projects in RPD's Capital Plan are subject to review and appropriation approval by the Board of Supervisors. The subject requested release of reserved funds relates only to RPD's Salaries, presently on reserve for the 16 new positions, in connection with the planning, directing and overseeing of RPD's Capital Plan.

According to Mr. Hoy, the total cost of RPD 's Capital Plan is estimated to be $400 million over the ten-year period, beginning July 1, 2000 and ending July 1, 2010. Mr. Hoy advises that this $400 million Capital Plan will be funded by:

a) $110,000,000 in General Obligation Bonds, known as the Neighborhood Recreation and Park Facilities Improvement Bonds 2000, approved as Proposition A by the voters in March of 2000, to provide for the acquisition, construction and/or reconstruction of neighborhood recreation and park facilities and properties, subject to appropriation approval by the Board of Supervisors;

b) Approximately $140 million in Park, Recreation and Open Space Funds as permitted by Charter Section 16.107, subject to appropriation approval by the Board of Supervisors;[1]

c) Approximately $100 million in grant funds subject to approval by the Board of Supervisors to be realized at an average rate of $10 million annually during the 10-year Capital Program, according to Mr. Hoy (See Comment No. 3).

d) Approximately $50 million in private donor and foundation support, to be realized at an average rate of $5 million annually during the 10-year Capital Program, according to Mr. Hoy. All gifts in excess of $10,000 are subject to acceptance approval by the Board of Supervisors.

Mr. Hoy advises that RPD's 10-year Capital Plan has increased significantly the number of capital projects executed by RPD annually. Mr. Hoy advises that since 1993, working through DPW and using Park Recreation and Open Space Funds, RPD has completed approximately $3.75 million per year in capital projects. According to Mr. Hoy, to meet the requirements of RPD's 10-year Capital Plan, RPD will need to complete approximately $40 million in capital projects annually.

[1] Under Charter Section 16.107, for the Park, Recreation and Open Space Fund, the City assesses an annual property tax of two and one-half cents ($0.025) for each $100 of assessed valuation.

RPD's Capital Division

Mr. Hoy advises that RPD requested the subject 16 new positions in order to manage the significant increase in capital projects overseen by RPD, as discussed above. Mr. Hoy advises that RPD is also proposing to increase its staffing in the Capital Division to provide design services for some projects in response to the authority granted to RPD through the Charter Amendment of Proposition C, which extended the Park Recreation and Open Space Fund by 30 years and was passed by voters in March 2000. Proposition C states that, for capital projects, the Recreation and Park Commission would "...have the authority to prepare and approve the plans, specifications and estimates for all contracts and orders, and to award, execute and manage all contracts and orders, for capital projects on real property under its jurisdiction or management." Mr. Hoy advises that, previously, such authority was vested in the Department of Public Works under the City Administrator by Charter Section 3.104. The Charter Amendment also mandated that RPD prepare a 5-year Capital Plan by December 1, 2000. Mr. Hoy advises RPD instead completed a 10-year Capital Plan on May 18, 2000, which also met the requirement of a 5-year Capital Plan, as stipulated by Proposition C.

According to Mr. Hoy, the expanded Capital Division, formerly referred to as the RPD Planning Division, would consist of a total of 26 positions, including 9 existing RPD positions, the 16 new positions proposed to be funded with the subject requested release of reserved funds, and one Project Manager IV position (Classification 5508) approved and funded in RPD's Fiscal Year 2000-2001 budget. Funding for this one Project Manager IV position was not placed on reserve in order to provide RPD a Capital Program Manager to oversee the Capital Division and plan for its expansion. Attachment II provided by RPD explains the responsibilities of the expanded Capital Division.

According to Mr. Hoy, the main responsibility of the Capital Division is to oversee the planning, financing, and fieldwork required for RPD's $400 million Capital Plan. For each capital project, the Capital Division prepares a

Project Plan, which defines the scope of work, the schedule, milestones, the completion dates and the project budget. Mr. Hoy advises that in creating this Project Plan, RPD staff seek community input and consensus on capital improvements for the City's recreation and park facilities. Following the communities' input and advice, RPD staff define the scope of capital improvements, determine the impacts to the project from various issues (i.e. topography, soils, hazardous materials, relocation, and /or temporary facilities). Mr. Hoy advises that the Project Plan would serve as the document governing design and construction throughout each project. Mr. Hoy advises that in the past, RPD, in conjunction with DPW, was charged with creating such Project Plans. The Capital Division would also negotiate to have DPW and/or its consultants to complete the project design. DPW will remain responsible for management of all formal competitive bidding processes and the award of the design and construction projects. However, since March 2000 when Proposition C gave authority to RPD to fill such functions directly, RPD's Capital Division has begun to perform some of these duties, according to Mr. Hoy. Attachment II, provided by RPD, explains when DPW would be responsible for awarding construction contracts that fall under RPD's Capital Plan.

<u>RPD's Response to the Board of Supervisors' Request for Additional Information Related to the Reserved Funds</u>

Attachment III, provided by RPD contains, RPD's response to the information requested by the Board of Supervisors during the budget review process for Fiscal Year 2000-2001 about the potential for RPD's Capital Division to duplicate responsibilities previously handled by DPW. As stated in Attachment III, Mr. Hoy advises that:

> "The Recreation and Park Department's Capital Division Team will not duplicate the functions of DPW. The magnitude in numbers and value of capital projects changed dramatically with the passage of the Neighborhood Parks Bond of $110 million...That bond is one quarter of the total capital program of $400 million. In addition to the

> bond, $140 million of Park Recreation and Open Space Funds is committed to the program with the remaining funds to be secured by an aggressive grant and philanthropy effort [$100 million from Federal and State grants and $50 million from private donors]. The capital program will require the addition of staff who are responsible for the management, funding, definition and direction of those improvements. *If DPW were to oversee RPD's Capital Plan, rather than RPD,* DPW would also need to recruit additional staff in order to perform these functions."

Ms. Tina Olson of DPW agrees that, if DPW were responsible for overseeing RPD's $400 million Capital Plan, DPW would also be required to hire a similar number of additional staff. Ms. Olson advises that DPW supports the creation of RPD's expanded Capital Division and will continue to work closely with RPD in implementing RPD's Capital Plan. RPD and DPW currently have a joint committee, which was required under the Proposition C Park Recreation and Open Space Fund approved in March of 2000, and which meets monthly to discuss and monitor implementation of RPD's Capital Plan (see Comment No. 6 below).

Mr. Hoy further states:

> "The Recreation and Park Department has worked with DPW for the past year to prepare a well-developed plan. Those efforts are apparent in the language of Proposition C and in the functional organization chart [shown in Attachment IV, provided by RPD]. As required by Proposition C, the policies and procedures governing the implementation of capital projects will be established by a committee formed by DPW and RPD. These will be based on procedures already in place at DPW, in conformance with appropriate chapters of the City's Administrative Code. The Recreation and Park Department and DPW meet monthly to discuss policies, procedures and activities."

In Attachment III, Mr. Hoy states that RPD expects that the costs of RPD overseeing its own capital projects would be either equal to or lower than having DPW oversee RPD's projects. However, the Budget Analyst notes that RPD has not completed a formal cost comparison between the two departments, as was requested by the Board of Supervisors during the budget review process for Fiscal Year 2000-2001. Mr. Hoy advises that such a comparison is difficult, due to differences in the ways each department bills costs to projects, as stated in Attachment III. Mr. Hoy further advises, as stated previously, that if DPW were to oversee RPD's $400 million Capital Plan, DPW would also need to recruit additional staff in order to manage the dramatic increase in capital projects to be completed by RPD.

Budget: A budget for $1,110,946 of the requested release of $1,214,826 in reserved funds for the 16 new positions for Fiscal Year 2000-2001 is as follows (see Comment No. 1):

Class	Position	Biweekly Salary Step 1	Biweekly Salary Step 5	# of Pos.	Annualized Salary (Step 5)	Total Annualized Salary (Step 5)
1426	Sr. Clerk Typist .	$1,355	$1,682	2	$43,900	$87,800
1632	Sr. Account Clerk	1,474	1,831	1	47,789	47,789
1652	Sr. Accountant	1,654	2,038	1	53,192	53,192
1820	Jr. Administrative Analyst	1,460	1,814	1	47,345	47,345
1823	Sr. Administrative Analyst	2,161	2,666	2	69,582	139,165
1824	Principal Admin. Analyst	2,527	3,117	1	81,354	81,354
1654	Principal Accountant	2,009	2,478	1	64,676	64,676
5283	Planner V	3,056	3,769	1	98,371	98,371
5293	Planner IV	2,577	3,178	2	82,946	165,892
5272	Assist. Landscape Architect	2,303	2,841	2	74,150	148,300
5275	Sr. Landscape Architect	3,087	3,807	1	99,363	99,363
6331	Building Inspector	2,412	2,977	1	77,700	77,700
	Subtotal Salaries			16		$1,110,946

Annual Salary and Mandatory Fringe Benefit costs of the proposed 16 staff members would be $1,399,792, including $1,110,946 in Salaries and $288,846 in Mandatory Fringe Benefits, calculated at 26 percent of Salaries, or a total cost for Salaries and Fringe Benefits of $1,399,792. The

Mandatory Fringe Benefit costs were previously appropriated by the Board of Supervisors without reserve. Comment No. 4 below contains an estimated budget for annual operating and one-time start up costs for the proposed expanded Capital Division.

Comments:

1. Mr. Hoy advises that RPD plans to hire the 16 positions to be funded by the requested release of reserved funds by May 7, 2001. However, the Budget Analyst believes May 23, 2001 to be a more realistic hiring date. Using a May 23, 2001 hiring date, the proposed 16 new positions would only be hired for three pay periods during Fiscal Year 2000-2001. As shown in the budget below, the total salary cost of hiring the 16 new positions for three pay periods would be $127,695. Therefore, the proposed release of reserved funds should be reduced by $1,087,131, from $1,214,826 to $127,695, as shown in the table on the following page.

Class	Position	# of Pos.	FTE	Salary For 3 Pay Periods
1426	Sr. Clerk Typist	2	0.30	$10,092
1632	Sr. Account Clerk	1	0.15	5,493
1652	Sr. Accountant	1	0.15	6,114
1820	Jr. Administrative Analyst	1	0.15	5,442
1823	Sr. Administrative Analyst	2	0.30	15,996
1824	Principal Admin. Analyst	1	0.15	9,351
1654	Principal Accountant	1	0.15	7,434
5283	Planner V	1	0.15	11,307
5293	Planner IV	2	0.30	19,068
5272	Assistant Landscape Architect	2	0.30	17,046
5275	Sr. Landscape Architect	1	0.15	11,421
6331	Building Inspector	1	0.15	8,931
	Subtotal Salaries	16	2.40	$127,695

In addition, the Budget Analyst recommends that the Board of Supervisors request the Controller to close out the $1,087,131 balance in reserved bond funds ($1,214,826 in reserved funds less $127,695) to be available for future appropriation to Capital Improvement Projects.

2. According to Mr. Hoy, RPD plans to request from the Mayor's Office and the Department of Human Resources (DHR) permission to reclassify eight of the 16 new positions now being requested for release from reserved funds in order to better meet the expanded Capital Division's needs, as stated in Attachment IV, provided by RPD. Therefore, RPD is already planning to reclassify positions before funding for the originally approved positions has been approved by the Board of Supervisors. The Budget Analyst notes that the reclassified positions would increase the estimated annual cost of the 16 new positions in Salaries and Mandatory Fringe Benefits by \$155,025, from \$1,399,792 to \$1,554,817. Approval of the reclassified positions and necessary additional funding would be subject to future appropriation approval by the Mayor and the Board of Supervisors. Given that RPD is planning to reclassify eight of the 16 new positions, before the Board of Supervisors has even released the funding for the 16 new positions now being requested, and due to the estimated increased annual costs of \$155,025 that would result from such eight reclassifications, the Budget Analyst considers approval of the proposed release of reserved funds to be a policy matter for the Board of Supervisors. Attachment V, provided by RPD, contains a job description for each of the 26 positions in the proposed expanded Capital Division, including 10 existing positions and the 16 new positions. As noted above, RPD has proposed to reclassify eight of the 16 new positions.

3. The Budget Analyst notes that approximately \$150 million, or 37.5 percent, of RPD's \$400 million Capital Plan will be funded by future Federal and State grants (\$100 million) and private and foundation donations (\$50 million), which have not yet been secured. The Budget Analyst questions the certainty of RPD's ability to secure such funds, and whether such funds are will be made available by the applicable government and philanthropic agencies. Attachment VI, provided by RPD, contains a list of Federal, State and philanthropic funding which RPD expects to be available in future years. However, RPD was unable to provide the formula that will be used by funding agencies to distribute such funds, in order to estimate the amount of funding that could be realized RPD.

As stated previously, RPD expects to realize approximately $10 million annually, or $100 million in total, in State and Federal grant funds for the 10-year duration of the Capital Plan. However, as a comparison, the Department of Public Works (DPW) only realizes approximately $4 million annually from Federal and State grants for transportation-related improvements (excluding additional funding provided for earthquake damage related to the Loma Prieta earthquake), according to Ms. Olson of DPW. In addition, according to Mr. Edward Stewart of the Transportation Authority, the City as a whole receives an average of $20 to $25 million annually for transportation improvements from Federal and State grants.

Mr. Hoy advises that if RPD is unable to secure the anticipated $100 million in Federal and State grants and the $50 million in donations, RPD will be required to reduce the scope of its Capital Plan and/or find additional funding sources. If RPD were to reduce the scope of its Capital Plan, Mr. Hoy advises that RPD would prioritize projects using the process described in Attachment I, provided by RPD. Given that RPD has not yet secured this $150 million in State and Federal grants ($100 million) and private and foundation donations ($50 million), the Budget Analyst considers approval of the proposed release of reserved funds to be a policy matter for the Board of Supervisors.

4. As shown in the budget on the following page, estimated annual operating costs for the proposed expanded Capital Division would be $1,641,629, including $1,110,946 in annual Salaries for subject 16 positions, $288,846 in Mandatory Fringe Benefits, and $241,837 in other Operating Expenses, excluding the additional $155,025 annually for the positions to be reclassified. In addition, the proposed expanded Capital Division would require an estimated $110,800 in one-time start-up costs. Mr. Hoy advises that all operating and start-up costs would be funded with proceeds from the Neighborhood Recreation and Park Facilities Improvement General Obligation Bonds, approved by voters in March of 2000. Funding for the $1,399,792 in Salaries and Mandatory Fringe Benefits is included in

RPD's budget request for Fiscal Year 2001-2002, according to Mr. Hoy. Funding for other operating costs of $241,837 and the one-time start-up costs of $110,800 for the remainder of the current Fiscal Year 2000-2001 would be funded with a pending supplemental appropriation from the Recreation and Park Facilities Improvement General Obligation Bonds, due to come before the Board of Supervisors for appropriation approval in April or May of 2001.

Estimated Budget for Proposed Expanded Capital Division	Amount
Estimated Annual Costs	
Personnel	
Salaries (16.0 FTE – See Budget Above)	$1,110,946
Fringe Benefits (@ 26 percent)	288,846
Subtotal Personnel	$1,399,792
Rent (See Comment No. 5)	
5,000 sq. ft @ $9,583 per month or $1.92 monthly per square foot	115,000
Utilities	10,000
Materials & Supplies	35,000
Miscellaneous (Copiers, Fax Machines, Printing, Photographs)	10,000
Reproduction	20,000
Work Orders to Other City Departments (Such as the Dept. of Telecommunications and Information Services and the Controller for e-mail, FAMIS, network support, and telephone systems.)	34,955
Work Authorizations to other City Departments	16,882
Subtotal Other Operating Expenses	$241,837
Subtotal Estimated Annual Operating Budget	$1,641,629
Estimated One-Time Start Up Costs	
Equipment	
Computers	
(16 desktop computers workstations @ $3,000 each)	48,000
Telephones	
(16 units, including installation, @ $800 each)	12,800
Automobiles	
(2 electric sedans @ $25,000 each – See Comment No. 5)	50,000
Subtotal Equipment	$110,800
Subtotal Estimated One-Time Start Up Costs	$110,800
Estimated Total Costs	$1,752,429

5. Mr. Hoy advises that RPD is negotiating an agreement with the Department of Public Work's (DPW) Bureau of Engineering for office space adjacent to their Landscape Architecture and Project Management Divisions, on the 5th floor of 30 Van Ness Avenue. Costs will be included as a work order to DPW, subject to future appropriation approval by the Board of Supervisors. According to Mr. Hoy, the two automobiles listed in the above estimated budget, at a total cost of $50,000 and also subject to future appropriation approval by the Board of Supervisors, would be used for travel to and from community meetings, RPD Commission meetings, project sites, other City departments (i.e. Department of City Planning, the Arts Commission and DPW).

6. Proposition C, passed by voters in March of 2000, which extended the Park Recreation and Open Space Fund program by 30 years, states that the "Recreation and Park Department and the Department of Public Works (DPW) shall establish a committee to develop a written, capital implementation program, for consideration of both Departments, that will govern DPW's involvement in capital projects undertaken by the Recreation and Park Department. In developing this program, the committee shall consider the Capital Plan...staffing levels in both Departments, and the availability of other resources." According to Mr. Hoy, DPW and RPD did form such a joint committee immediately following passage of Proposition C in March of 2000 to work together to develop RPD's Capital Plan, which was completed on May 18, 2000 and includes RPD's plans for implementing its Capital Plan. In addition, Mr. Hoy advises that RPD and DPW worked together to determine the staffing that would be necessary in both departments to implement the Capital Plan. The DPW and RPD continue to meet monthly to discuss and monitor the progress of RPD's Capital Plan, according to Mr. Hoy. The joint committee is comprised of the Director of RPD and the Director of DPW, as well as key capital project staff from both departments.

7. The Budget Analyst notes that RPD has not completed a formal analysis comparing the cost of RPD overseeing its own Capital Plan versus DPW overseeing RPD's Capital Plan, as was requested by the Board of Supervisors during the budget review process for Fiscal Year 2000-2001. Mr. Hoy states in Attachment III that RPD expects that the costs of RPD overseeing its own capital projects would be either equal to or lower than having DPW oversee RPD's projects. However, Mr. Hoy advises that such a cost comparison would be difficult due to differences in accounting procedures each department uses to bill costs to projects. The Budget Analyst believes that in order to fully evaluate the value of RPD's proposed expanded Capital Division, which would be staffed by the subject 16 new positions, RPD should have completed a formal comparison between RPD's costs and DPW's costs of overseeing RPD's $400 million Capital Plan. Because RPD has failed to complete such a cost comparison, the Budget Analyst considers approval of the proposed release of reserved funs to be a policy matter for the Board of Supervisors.

8. Given the scope of RPD's $400 million 10-year Capital Plan and the need for RPD to raise a total of $150 million in additional funding ($100 million from Federal and State grants and $50 million from private donors), the Budget Analyst recommends that the Board of Supervisors request that RPD report back to the Board of Supervisors on the status of the expanded Capital Division, RPD's Capital Plan, and potential funding sources in January of 2002, or approximately six months after the beginning of Fiscal Year 2001-2002.

Recommendations:

1. Reduce the proposed release of reserved bond funds by $1,087,131, from $1,214,826 to $127,695. Request the Controller to close out the $1,087,131 balance in reserved bond funds to be available for future appropriation to Capital Improvement Projects, in accordance with Comment No. 1 above.

2. Request that the Recreation and Park Department report back to the Board of Supervisors on the status of the expanded Capital Division, RPD's Capital Plan, and potential funding sources in January of 2002, or

approximately six months after the beginning of Fiscal Year 2001-2002, in accordance with Comment No. 8 above.

3. Approval of the proposed remaining release of reserved funds of $127,965 is a policy matter for the Board of Supervisors, because:

(a) RPD plans to work with the Department of Human Resources to reclassify eight of the 16 subject positions, which would result in an annual increase of $155,025 in Salary and Mandatory Fringe Benefit costs, as stated in Comment No. 2 above, at the same time RPD is now requesting funds for the present classification of these eight positions;

(b) approximately $150 million of RPD's $400 million Capital Plan will be funded by future State and Federal grants ($100 million) and private and foundation donations ($50 million), which have not yet been secured, as stated in Comment No. 3 above. As a comparison, DPW only realizes approximately $4 million annually from Federal and State grants for transportation-related improvements and the City as a whole realizes an average of approximately $20-$25 million annually in Federal and State grants for transportation-related projects; and,

(c) RPD has not completed a formal analysis comparing the cost and effectiveness of RPD overseeing its own Capital Plan versus DPW overseeing RPD's Capital Plan, as was requested by the Board of Supervisors during the budget review process for Fiscal Year 2000-2001, in accordance with Comment No. 7 above.

ATTACHMENT I

Prioritization of Projects within the Capital Plan

The Capital Plan was developed following an assessment of the physical conditions of each facility in the City by the JV architectural firms of Young de la Sota and the Architectural Resources Group. The assessment evaluated the landscape, architectural, structural, mechanical and electrical needs of the buildings, courts, and grounds at each site. That assessment was the basis for the Capital Plan, a facility improvement plan, which schedules improvements in each district for all facilities.

Recreation and Park staff prioritized the start dates for various sites based on physical condition, deferred maintenance and use, with consideration of the impact of construction closures on neighboring facilities within each district and City-wide. For example, although all pool facilities will be renovated, we cannot close too many at once (i.e. Sava, Hamilton, North Beach) depriving the citizens of that recreational opportunity. Similarly, we cannot close neighboring Recreation Centers (i.e. Eureka and Upper Noe Valley) without an impact to the community. RPD vetted this Capital Plan and its prioritization in 11 community meetings, one in each district, throughout the City. In some cases the priority of projects was changed at the request of those citizens represented at the district meetings. The Capital Plan was then presented in publicly noticed meetings before the Recreation and Park Commission (both committees and commission levels), and the Open Space Advisory Committee. The Capital Plan was presented to the Board of Supervisors Parks and Recreation Committee.

Projects developed from the Capital Plan will address deferred maintenance, seismic upgrades, ADA improvements, modernization and changes in use at each facility. These will take the form of multiple projects to address field and court renovations, clubhouses, recreation centers, pools, play areas and playgrounds.

The Capital Plan is not static and is meant to be a "road map" guiding the direction of the Capital Program for the next 10 years. Like any guide, the direction can be changed to accommodate unforeseen difficulties that may occur during the journey. For instance, if a play structure requires immediate repairs (i.e. So. Sunset Playground), it would be wise to renovate it ahead of schedule rather than repair it just to renovate it later. The Capital Plan is reviewed annually and updated as required by Proposition C.

Oversight of the Capital Plan and its execution falls to the Recreation and Park Commission and its Committees, Recreation, Parks and Planning and Finance Administration. The Mayor and the Board of Supervisors are represented by the Parks and Recreation Open Space Advisory Committee. Two representatives from each district Supervisor and one representative of the Mayor, staff that committee of 23. It is the responsibility of these committee members to ensure that the work required throughout the City proceeds as planned and that the expenditures necessary are distributed fairly throughout the City based on neighborhoods, number of facilities per district and physical needs.

Source: Recreation and Park Department

Recreation and Park Department
PROPOSED ENHANCEMENT TO CAPITAL DIVISION TEAM
16 Positions

The Recreation and Park Department (RPD) is embarking on the implementation of their Capital Improvement Plan. The Capital Division within the department will manage the Capital Plan. This division will be responsible to execute the Capital Plan as described and approved by the Board of Supervisors, the Recreation and Park Commission and the voters through Proposition C of the March 2000 election. The Capital Plan anticipates over $400M in capital improvements throughout San Francisco's neighborhood parks. This total and its resultant annual capital outlay of $40M/year will require additional positions in RPD. As required by Proposition C, the RPD will work with the Department of Public Works (DPW) to meet these goals.

The Capital Program staff will consist of professionals from both departments in both technical and management fields. As structured, the staff will focus on two major roles with different responsibilities:
1. Project Development, Definition and Direction
2. Project Implementation. -

1. Project Development, Definition and Direction
The RPD has the responsibility to develop, define and direct the projects necessary to execute the capital plan in accordance with its operational need. In the past several years, the department has managed this role with two planners, two landscape architects, one architect and engineer. The volume of work produced under these conditions averaged 3.75M annually, the last several years.

Project Definition requires three major components: Scope of Work, Schedule of Activities, and Budgeted Cost. In conjunction with users, staff, stakeholders, designers, DPW and other professionals the department will evaluate the proposed project and confirm the:

Scope of Work – (The basis of these definitions was prepared by an assessment performed in 1999).
- Condition Assessment (confirm previous assessments)
- Hazardous Materials Assessment (investigate, develop mitigation plan)
- Soils Conditions (sampling, profiles and engineering recommendations for design)
- Physical Survey, Topography (establish limitations and physical features to retain)
- Existing Operational Uses (functional activities)
- Proposed Operational Uses (Working with neighborhood and community advocates the RPD will determine the current and proposed uses of each facility and the changes necessary to accommodate those uses).
- Physical Requirements for Existing and Proposed Uses

Schedule of Activities, Impacts and Process
- Definition, Design, Bid and Construction Activities
- Impact on Existing Operations (assess impact and mitigation necessary)
- Relocation or Temporary Facilities (determine need and/or change in operation)
- Project Phasing (temporary facilities required, moves, effect on critical path)

Budgeted Costs
Construction Cost
Other Costs and Fees
- Program Management
- Project Management
- Design Services
- Permits and Fees
- Construction Management
- Commissioning Activities

Source: Recreation and Park Department

2. Project Implementation
Project Implementation requires Project Management, Design, Preparation of Contract Documents, Bidding and Construction. The Capital Program anticipates the majority of this work to be performed by DPW and/or its Consultants. In using DPW, RPD will benefit from the infrastructure already established in DPW for contract administration, accounting and contract management. The departments have collaborated on this division of responsibility and agree that a potential exists for crossover between personnel in either department.

The following two pages include the 16 positions and job descriptions necessary for RPD to fulfill their obligations to the citizens of San Francisco as described in Item 1 above. This increase in ability of RPD to direct the work of DPW and/or other professionals in delivering the projects outlined in the Capital Plan is essential to its success.

Date: 4/5/01
Sender: Gary Hoy
To: Emilie Neumann
Priority: Normal
Subject: Contracting

Emilie

Per your request,

RPD's Policy on Construction Contracting:

The Recreation and Park Capital Division will follow CCSF Administrative Code, Chapter 6, in soliciting proposals for construction projects. Per that chapter, projects over 100,000 in construction cost would be publicly bid and awarded. Projects under 100,000 can be either publicly bid, or awarded through an informal contract.

For those projects designed and or managed by DPW, Recreation and Park would require that DPW act as Contracting Authority for the CCSF. DPW's overhead and billing structure pays for those services when design and management services are performed by DPW. It is not RPD's intention to bid and award those construction contracts designed and managed by DPW. This would in effect require RPD to provide those services already paid for by the use of DPW's staff and would be fiscally irresponsible. RPD will continue to advertise and award minor informal contracts (<$100,000) for small construction projects designed by in house staff.

Gary Hoy
Capital Program Manager

Memo to Budget Analyst
March 23, 2001

From: Recreation and Park Department

<u>Memo #2:</u> *Please answer/address the following in formal memo to the Budget Analyst, based on the issues raised by the Budget Analyst and the Finance Committee during the FY 2000-2001 budget review:*

1. *Please describe the department's new Capital Division:*
   a) *Why was it created? what are the divisions goals and responsibilities?* The Capital Division is not new (as indicated by the Budget Analyst's Request for Information Question 5.a). As of FY 00-01, there are 8 individuals (+2 vacancies) who are responsible for the planning, direction and oversight of Recreation and Park's capital projects. The name "Capital Division" is a new title for the individuals formerly referred to as the "Planning Division". This change in title is in response to the contracting authority granted RPD through the Charter Amendment of Proposition C, March 2000. Their goals and responsibilities are to seek community input and consensus on renovations, and capital improvements for the City's recreation and park facilities. Following the communities' input and advice, they define the scope of capital improvements, determine the impacts to the project from various issues (i.e. topography, soils, hazardous materials, relocation, and /or temporary facilities) and prepare a project plan. The Project Plan defines the scope of work, the schedule, milestones, completion dates and budget. This plan is delivered to DPW and/or it's consultants as the document governing the design and construction of each project. The Project Plan is both the means of measuring performance of DPW and RPD staff and a tool to use to improve the execution of capital projects throughout the life of the program.
   b) *What new function does this division provide to the department that was previously lacking?* There is no new function provided by RPD with this additional staff, however the size of the new division expands on the existing function of the planning group within the Recreation and Park Department. The Capital Plan as adopted by the Board of Supervisors, and as required by the March 2000 Ballot Proposition C, will significantly increase in the number of capital projects executed by RPD annually. Working through DPW and using Open Space funds for the previous 8 years, we have completed approximately \$3.75M/per year in capital projects. To meet the demands of the voters and the needs of the department we will need to deliver in excess of \$40M in capital projects annually. These figures are independent of the Golden Gate Park and Zoo Bond, which are primarily managed by DPW and/or consultants.
   c) *What is the status of the new Division? Has it been formed yet? If not, when will it be?* The current status is as indicated above, a staff of 8 (+2 vacancies). This includes last year's budget request, which added a Class 5508 position, Project Manager IV. As previously indicated, the Division has always been formed but does not have sufficient staff to meet the needs of the public.

d) *How many staff members does it currently have?* As indicated previously, it has 10 positions (8 filled). Requisitions to fill the two vacancies have been submitted to DHR. *Where were these employees previously in the department?* The members were in the same division but the name of that division was previously called the "Planning Division". *How many total employees does the Division plan to ultimately have?* Following approval of these positions, the Division will contain 24 positions. *How many of these positions have already been approved and when were they approved?* 10 Positions were approved in previous FY budgets. The 1987 Bond, the 1992 GGP Bond, the Open Space Program and the General Fund, fund them. The most recent addition to the staff was the addition of the Project Manager IV in the current FY 00-01.

2. *Please state the funding sources for the $1,214,826 in reserves – which bonds and series? – which project budgets?* Funds for the $1,214,826 will be appropriated as part of a supplemental appropriation for the Neighborhood Parks Bond, Series 2001B. They will appear as labor costs against various projects as is common for all capital project budgets.

3. *Please explain when you expect to hire the positions to be funded by the reserved funds and where you are currently in the hiring process.* We are unable to submit or gain permission to fill the positions associated with the reserved funds until the release of reserve is granted. It is anticipated that following approval of this release request, requisitions to fill those positions will be immediately approved by the Dept. of Human Resources and the Mayors Office. Transfer of existing staff from other departments (i.e. PUC, SFIA, DPW, City College) will most likely accomplish recruitment of personnel. We expect those transfers to be accomplished by May 7, 2001. Any vacancies remaining after the request for transfers will be filled by recruitment through DHR.

4. *State whether or not you have accounted for related costs of hiring the proposed new staff (equipment, materials, space, etc.). If you have, please include details in the budget, as requested above. If not, please explain why. And please address space issues.... Will you be able to house the new employees? Where? Will you require additional space/ leases?* As indicated above, equipment and supplies will be directly charged to bond sales. They are not a part of this request but will be included in the bond sale appropriation. We are negotiating an agreement with DPW's Bureau of Engineering for office space adjacent to their Landscape Architecture and Project Management Divisions, on the 5th floor of 30 Van Ness Avenue. Costs will be included as a work order to DPW in future bond sale appropriations until such time as an indirect cost plan is developed by RPD and approved by the Controller.

5. *Below are excerpts from the Budget Analyst report to the Finance Committee during the FY 2000-2001 budget review, which formed the basis of the Budget Analyst's recommendation that the subject funds be placed on reserve. Please respond to each of the requests/concerns:*

(a) *The Department currently has 12 existing positions (with annual Salary and Fringe Benefits of $1,140,078) funded by Open Space funding, bond funding and the General Fund to provide oversight and planning of existing capital projects. The Department has not explained how all current positions will be taken into account in this plan [for the new Capital Division]. The Department should account for the use of the current personnel the Department already has which perform similar functions for Open Space, the Park Renaissance Project and other bond funds to make sure that such functions are not duplicated and all are necessary.*

The Recreation and Park Department currently has 12 positions funded by Open Space funding, bond funding and the General Fund. Ten of these positions are indicated in black on the attached organization chart and are responsible for the planning, direction and oversight of the Golden Gate Park Bond, the 1987 Neighborhood Parks Bond, and Open Space Funded Projects.

- The 1987 Bond funded one position in the Capital Division:
  Class 5272, Landscape Architect Associate II.
  The bond program remains active with work at Lake Merced.
- The 1992 Golden Gate Park Bond funds two positions:
  5282, Planner IV, vacant following retirement of the incumbent in January 2001 (a requisition request was submitted to DHR), and
  Class 1446, Secretary. This position is responsible for oversight and direction of the Golden Gate Park Bond managed jointly with DPW.
- The Open Space Program funds 6 positions in the Capital Division:
  Class 5268, Architect:
  Class 5218, Structural Engineer:
  Class 5272, Landscape Architectural Associate II:
  Class 5291, Planner III: and
  Class 5283, Planner V (vacant, a requisition was submitted to DHR):
  Class 1822, Analyst (accounting transactions through FAMIS)
  These individuals are responsible for the planning, direction and oversight of the Open Space funded capital projects.
- Two other positions are funded by Open Space assigned to operational functions:
  Class 1446, Secretary (assist. to Open Space Advisory Committee)
  Class 1823, Senior Analyst (Property management services)
- The General Fund supports the position of the Project Manager IV.

In the Budget Analyst's judgement, without a well-developed plan, using appropriate policies and procedures, the result of the addition of such administrative staff [the new requested positions funded by the proposed reserve] may be extensive duplication of DPW's administrative procedures or the inefficient and ineffective management of these contracts.

The Recreation and Park Department has worked with DPW for the past year to prepare a well-developed plan. Those efforts are apparent in the language of Proposition C and in the functional organization chart. As required by Proposition C, the policies and procedures governing the implementation of capital projects will be established by a committee formed by DPW and RPD. These will be based on procedures already in place at DPW, in conformance with appropriate chapters of the SF Administrative Code. The Recreation and Park Department and DPW meet monthly to discuss policies, procedures and activities.

The Budget Analyst recommends the reserve of these bond funded positions until such time as the Department has performed a cost benefit analysis, and reports back to the Board of Supervisors, to determine that taking over the contract function that DPW performs could more effectively be performed by the Department and that there would not be any material duplication of efforts between the functions of the Department's Capital Division Team and DPW. As part of this analysis. the Department should compare their costs to DPW's cost for performing the same services."

Duplication of Efforts

The Recreation and Park Department's Capital Division Team will not duplicate the functions of DPW. The magnitude in numbers and value of capital projects changed dramatically with the passage of the Neighborhood Parks Bond of $110M, Proposition A - March 2000 Ballot Measure. That bond is one quarter of the total capital program of $400M. In addition to the bond, $140M of open space funds is committed to the program with the remaining funds to be secured by an aggressive grant and philanthropy effort. The capital program will require the addition of staff who are responsible for the management, funding, definition and direction of those improvements. <u>DPW would also need to recruit additional staff if in order to perform these functions.</u> It is not the intent of RPD to exercise its authority to advertise and award capital construction projects designed or managed by DPW. Those projects managed and/or designed by DPW will continue to be advertised, awarded and contracted by DPW.

Cost Benefits
At this time, it is impossible to provide a cost benefit analysis to substantiate the difference between DPW and RPD. It is akin to comparing apples and oranges. To compare the costs of DPW's services versus the same services provided by RPD will result in a negative evaluation of the DPW's costs as a result of significant differences in accounting procedures. DPW's design and engineering bureaus (whose technical and administrative staff parallel the positions considered by this request) budget(s) are prepared using an indirect cost plan to recover both the indirect labor and non-labor costs associated with its organization. It is necessary for DPW to charge other departments 233% of their direct labor charges to fund those costs which, in other departments, are often covered by general fund or other revenues.

If we were to compare DPW and RPD's labor costs for performing the same services based on this scenario, it would result in lower costs to projects performed by RPD. However, this is not an entirely accurate accounting. RPD has traditionally charged the cost of equipment and administrative support to the General Fund or directly to the Bond and Open Space Programs.

In the future, it is the intent of RPD to develop an indirect cost plan to fund indirect labor, equipment and other costs associated with the delivery of capital projects (as is the practice at DPW). Using an indirect cost plan will not materially change those costs associated with capital projects but the method of accounting will be consistent in these two department's capital programs. As labor rates, fringe benefits, equipment and other costs are identical in both departments, we expect that this will result in similar rates for RPD's indirect cost plan.

It is apparent from the passage of Proposition C that the voters of San Francisco prefer that RPD be responsible for the execution of its capital projects. The concern of cost and efficiency raised in response to RPD's involvement in Capital Projects will be addressed with further verification. In order to address those concerns, the department will employ accounting practices identical to those used by DPW. We expect that results will indicate either the same or lower costs.

Finally, the method of accounting used for DPW and RPD should also be consistent for those other departments with contracting authority as granted by the Charter and Chapter 6 of the Administrative Code (i.e. the Port, MUNI, SFIA, PUC), currently, this is not the case.

Date: 3/30/01
Sender: Gary Hoy , Recreation and Park Department
To: Emilie Neumann
cc: Angela Gengler
Priority: Normal
Subject: Fwd:draft of TXs explanations

Emilie,

As we mentioned in our response to your original information request, we agree with some of the Budget Analyst's comments and will be working with the Mayor's office and the Dept. of Human Resources to transfer those 16 positions into more appropriate classifications for the work necessary. These "TX s" will be in effect for the remainder of this FY and will become part of the Budget for FY 01-02. The following is a list of the proposed TXs:

Changes to Administrative Support Positions:

FY 00-01 Budget		Proposed TX
1426	Sr. Clerk Typist	1024 IS Administrator Supervisor
1426	Sr. Clerk Typist	1452 Executive Secretary II

One of the Capital Division's primary goals is to provide information on capital projects to the public in a timely manner. The above Information Systems position is critical. That person would be responsible for the development and implementation of a new project management database with links and coordination to the City's GIS system. This data collection and the maintenance of databases will enable the Department to report on the status of Capital Projects, bond sales, and expenditure as required by the Board of Supervisors and Proposition C. The Executive Secretary would be responsible for higher level secretarial and administrative responsibilities including: supporting the management and subordinate teams, facilitating data collection, as well as coordinating the team's staff and preparing reports. These responsibilities are necessary for the Capital Division and are beyond the MQs of the previous classifications.

Changes to Finance/Budget Team:

FY 00-01 Budget		Proposed TX
1632	Sr. Account Clerk	TX to Implementation Team Below
1652	Sr. Accountant	TX to Implementation Team Below
1820	Jr. Admin. Analyst	TX to Implementation Team Below
1823	Sr. Admin. Analyst	No Change
1823	Sr. Admin. Analyst	No Change
1824	Prin. Admin. Analyst	No Change
1654	Prin. Accountant	No Change

As indicated on the updated organization chart (attached), the financial unit will be comprised of 4 analysts (3 new) and 1 accountant. Given the fiscal responsibilities of the Capital Division, we have determined this staffing level to be appropriate and in line with similar programs at DPW. However, we anticipate an extremely high level of interaction with the community on capital projects. Therefore, we have proposed to TX the junior analyst and accountant positions to landscape architect classifications who would be able to assist the project leaders in providing complex technical information to the community.

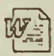
Changes to Technical Positions:
Planning/Project Development Team

FY 00-01 Budget		Proposed TX
5283	Planner V	5133 Program Manager II
5293	Planner IV	5274 Landscape Architect
5293	Planner IV	5274 Landscape Architect
5272	Land. Arch. Assoc. II	No Change
5272	Land. Arch. Assoc. II	No Change
5275	Sr. Landscape Arch.	No Change

Implementation Team

FY 00-01 Budget		Proposed TX
1820	Jr. Admin. Analyst	5274 Landscape Architect
1652	Sr. Accountant	5262 Land. Arch. Assoc. II
1632	Sr. Account Clerk	5262 Land. Arch. Assoc. II
6331	Building Inspector	No Change

In addition to those analyst and accounting positions mentioned above, the proposed TXs represent appropriate changes downward from Senior Landscape Architect and high level planning positions to appropriate architectural and planning classifications. This would allow the department to seek staff who are experienced and capable in seeking community input, identifying scope of projects, and determining the impacts to the projects. The Planner V Classification is TX'd to a Program Manager II whose MQ's are achievable by any of the technical disciplines contained in the reporting staff.



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Angela Gengler
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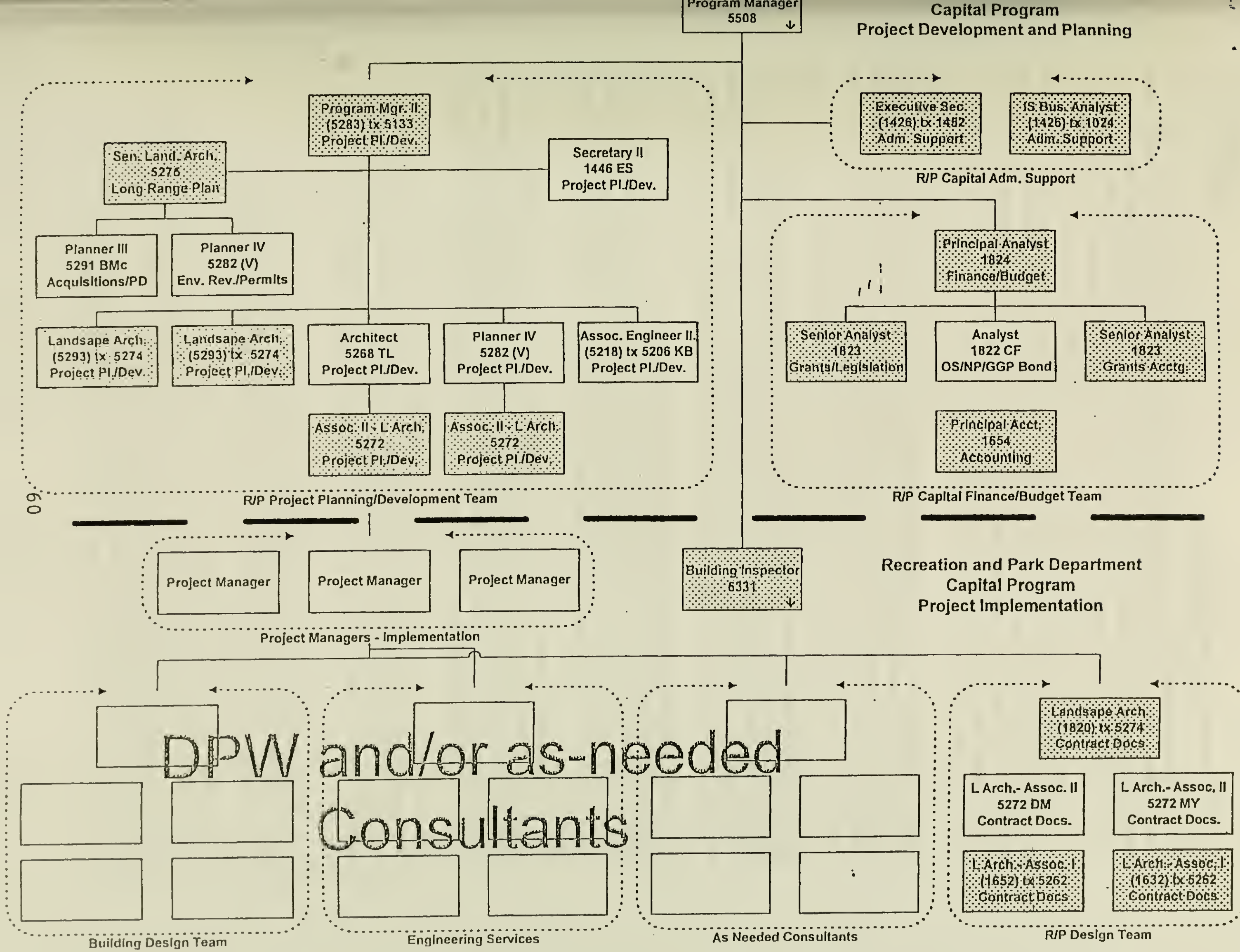
Capital Program
Project Development and Planning
Program Manager
5508
Executive Sec.
(1426) tx 1482
Adm. Support
IS Bus. Analyst
(1426) tx 1024
Adm. Support
R/P Capital Adm. Support
Program Mgr. II
(5283) tx 5133
Project Pl./Dev.
Secretary II
1446 ES
Project Pl./Dev.
Sen. Land. Arch.
5276
Long Range Plan
Planner III
5291 BMc
Acquisitions/PD
Planner IV
5282 (V)
Env. Rev./Permits
Landsape Arch.
(5293) tx 5274
Project Pl./Dev.
Landsape Arch.
(5293) tx 5274
Project Pl./Dev.
Architect
5268 TL
Project Pl./Dev.
Planner IV
5282 (V)
Project Pl./Dev.
Assoc. Engineer II.
(5218) tx 5206 KB
Project Pl./Dev.
Assoc. II - L Arch.
5272
Project Pl./Dev.
Assoc. II - L Arch.
5272
Project Pl./Dev.
R/P Project Planning/Development Team
Principal Analyst
1824
Finance/Budget
Senior Analyst
1823
Grants/Legislation
Analyst
1822 CF
OS/NP/GGP Bond
Senior Analyst
1823
Grants Acctg.
Principal Acct.
1654
Accounting
R/P Capital Finance/Budget Team
Project Manager
Project Manager
Project Manager
Project Managers - Implementation
Building Inspector
6331
Recreation and Park Department
Capital Program
Project Implementation
DPW and/or as-needed
Consultants
Building Design Team
Engineering Services
As Needed Consultants
Landsape Arch.
(1820) tx 5274
Contract Docs.
L Arch.- Assoc. II
5272 DM
Contract Docs.
L Arch.- Assoc. II
5272 MY
Contract Docs.
L Arch.- Assoc. I
(1652) tx 5262
Contract Docs
L Arch.- Assoc. I
(1632) tx 5262
Contract Docs
R/P Design Team

Project Planning and Development Team

5293 Program Manger – Project planning and development: This Program Manager will directly assist the Capital Program Manager and be responsible for day to day management of the project planning and development team. This team will consist of long range planners, environmental review specialists, and project planners. The team consists of existing long-range planning and project development staff and new positions. The roles and responsibilities of those positions are described below.

5291 Planner III - Environmental review and Permits: This Principal Administrative Analyst would be responsible evaluating, coordinating and securing permits and/or environmental review approvals from various local, state and federal agencies. These agencies include but are not limited to the Dept. of City Planning, Bay Conservation Development Commission, Coastal Commission, State Fish and Game, State Historic Preservation Office, Army Corps of Engineers, National Park Service.

(2) 5274 Project planning and development: These Landscape Architects would be responsible for project planning and development of multiple, medium to large-scale projects ($.5M – $10M each). This will require excellent communication and facilitation skills, and sound technical expertise. Planning requires identification of issues, assessment of physical and environmental constraints, consensus building with communities, contract management, interaction with the Commission and its Committees.

(2) 5272 Project planning and development: These Associate II Landscape Architects would be responsible for project planning and development of multiple, small to medium-scale projects ($50,000 – $5M each). This will require excellent communication and facilitation skills, and sound technical expertise. Planning requires identification of issues, assessment of physical and environmental constraints, consensus building with communities, contract management, interaction with the Commission and its Committees.

CAPITAL PROGRAM - FINANCE BUDGET TEAM – STAFF (3):
This unit will be responsible for all aspects of the finances of the program; including bond sales, grant applications, financial projections, revenue transfers and tracking and charging of capital expenditures for the whole capital program. In addition, they will be responsible for seeking other sources of funds (local, State and Federal grants). These positions will be funded from bond and OS Fund.

1824 Principal Admin. Analyst - Budget & Finance: This Principal Administrative Analyst would be responsible for financial management of the Capital Program including financial planning, appropriations, tracking fund sources, and reporting expenditures as required by the SF Administrative Code. Prepare and annually update Capital Plan, prepare periodic status reports relative to the plan on efforts to secure funds. Develop and maintain financial plans for the capital program and its projects as necessary

1823 Sr. Admin Analyst - Grants: This Sr. Administrative Analyst position would be responsible to manage procurement of outside grants and funding in order to fully fund the Capital Program as defined in Proposition C. The position assist with the financial planning. The position will work directly with the Program Manager and General Manager and act as the interface with granting agencies as the Department's representative.

1823 Sr. Admin Analyst – Grant Accounting: This Sr. Administrative Analyst position would be responsible for assisting the Finance and Budget Manager (1824) and the Program Manager in the accounting transactions and billing required by the use of Grant Funds from various agencies.

1654 Accounting: This Principal Accountant will execute transactions through the Controller's FAMIS accounting system. This will require FAMIS project set-up, fund transfers, journal entries, coordination and work orders with other departments, contract encumbrances and payments to consultants, and contractors.
CAPITAL PROGRAM - ADMINISTRATIVE SUPPORT – STAFF (5):
This unit of the Capital Program Division will be responsible for providing support and assistance to the Program Manager, the Planning and Development Unit and the Financial and Budget Team.

1024 Information Systems for Capital: In addition to network maintenance, hardware and software maintenance and training, this Administrative Information Systems position would be responsible for the development and implementation of a new project management database with links and coordination to the City's GIS system. This data collection and the maintenance of databases will enable the Department to report on the status of Capital Projects, bond sales, and expenditures as required by the SF Administrative Code and Proposition C.

1452 Administrative Support: This Executive Secretary would be responsible for the higher level secretarial and administrative responsibilities for the Capital Program Manager. The position will also provide administrative support to the subordinate teams and facilitate in the data collection, reporting and coordination of the team's staff.

TECHNICAL DESIGN TEAM - STAFF (6):

This unit will be responsible for assisting the Project Planning and Development Team during the pre-design and scope development phase. Following completion of the Project Plan, the Design Team will be responsible for developing and issuing Contract Documents and following the project to completion. These positions will be funded from bond and Open Space Fund proceeds.

5274 Landscape Architect: This position would be responsible to oversee the preparation and execution of contract documents for landscape improvements at various facilities. The current workload at DPW requires projects to be identified by priority and wait until staff is available. This new division of designers within the Recreation and Park Department will allow Recreation and Park the ability to prepare contract documents and therefore deliver projects sooner. The Landscape Architect will supervise subordinate staff, provide quality assurance, and be responsible for content, accuracy and thoroughness of the Contract Documents

2-5262 Landscape Architect Associate I's: These two Landscape Architect Associate I's would assist existing (2) 5272 Landscape Architect II's and the 5274 Landscape Architect. They would be responsible for preparing portions of the design; contract documents, and participate in the construction process as directed by the 5274 Landscape Architect. They will also assist the Project Planning and Development Team in the development of new projects by preparing conceptual and schematic design proposals.

6331 Building Inspector: This position would be responsible for evaluating existing conditions and developing data for inclusion in the facilities management plan. This information will enhance current data, provide the basis for project development, predict life cycle and replacement costs for various facilities, and track progress on emergency repairs and deferred maintenance. The Inspector will also confirm compliance of finished work with the Recreation and Park Department's Materials and Design Standards.

The roles and responsibilities of 10 current Capital Division positions are described below.

5508 Project Manger IV-Capital Program Manager: The Project Manager IV will directly assist the General Manager and be responsible for the successful execution of the Capital Plan. The PM IV will oversee the work of the Project Planning and Development team, the Finance and Budget team, the Technical Implementation team, and the work of its consultants and contractors (i.e. DPW). The PM IV is responsible for the development and maintenance of the policies and procedures necessary for the organization, and responsible for day to day management of the teams. The PM IV will direct the work of the various reporting individuals, initiate bond sales and appropriation requests, monitor progress of the Capital Plan, and make reports and presentations to the Commission, Mayor and the Board of Supervisors. The PM IV is responsible for the review and performance evaluation of reporting staff and the organization, and will revise policies, procedures and responsibilities as necessary to ensure success.

5282 Planner IV – Long Range Planning: This Planner IV is responsible the long range planning group of the Planning and Development Team. The position's responsibility is to assess the recreation and park needs, citywide and develop strategies for acquisition, renovation and improvements to maintain the Recreation and Park System. As the City continues to expand, demographics change, RPD needs to continuously plan and ensure the system's usefulness to the citizens of San Francisco. The Position will focus energies on the development of the newly expanded city boundaries (i.e. Treasure Island, Hunters Point) and work with SFRA in developing an open space and recreation component to new developments (i.e. Mission Bay and Central Waterfront).

5282 Planner IV - Environmental review and Acquisitions: This Planner IV assists in development of the Long-Range Plan, and is responsible for preparation and coordination environmental reviews for RPD projects. The Planner IV also evaluates project environmental reviews from various other private, local, state and federal agencies to determine impact and mitigation necessary to adjacent Recreation and Park assets. The Planner IV also evaluates project designs for conformance with the long range plan and general planning principles.

5291 Planner III - Environmental review and Permits: The Planner III is also responsible for implementation of the acquisition element of the Open Space Program. That element requires communication and coordination with the Dept. of Real Estate and other City Departments (i.e. DCP, SFRA, SFUSD). The Planner III is also responsible for securing the necessary approvals for Capital Projects from the Dept. of City Planning, including Master Plan Referrals, Conditional Use Permits, etc. The Planner III assists the Project Development Team in determining the planning impacts of proposed improvements at RPD facilities.

5218 Structural Eng. TX'd to 5206 Civil Engineer: Project planning and development: This position was reclassified to a lower class. The individual responsible for project planning and development of multiple, medium to large-scale engineering projects ($.5M – $10M each). This will require excellent communication and facilitation skills, and sound technical expertise. Planning requires identification of issues, assessment of physical and environmental constraints, consensus building with communities, contract management, interaction with the Commission and its Committees. Current project responsibilities include but are not limited to the following: (GGP Lake Projects, GGP Utilities Projects, GGP Pump Station, Marina Master Plan-Renovation, Buena Vista Erosion Control, Moscone Playground, India Basin Park and Wetlands Restoration, Randall Museum).

1822 Admin Analyst –Accounting: This Administrative Analyst position is responsible for transactions via the Controller's FAMIS accounting system. The Admin. Analyst sets up Capital Project Codes in FAMIS for both Continuing and Annual Projects using various fund sources which include 87 Bonds, 92 Bonds, Open Space Funds, General Funds, Gift Funds and Grants. The accounting system requires specific billing against each revenue source and confirmation of those transactions by the Controllers Office. The Admin. Analyst also works closely with DPW and other City Depts. in transferring revenues to accomplish tasks necessary for the execution of capital projects (i.e. DPW, DBI, DCP, DPH, PUC, etc.).

5268 Architect: This position is responsible for oversight of various medium to large-scale architectural projects ($.5M – $10M each) currently in design or construction. This requires excellent communication and facilitation skills, and sound technical expertise. Planning requires identification of issues, assessment of physical and environmental constraints, consensus building with communities, contract management, interaction with the Commission and its Committees. Current project responsibilities include but are not limited to the following: (Eureka Valley RC, Upper Noe RC, North Beach Pool, Sava Pool, Margaret Hayward PG, Balboa Park, Monterey Conservatory, Palace of Fine Arts, Japanese Tea Garden, GGP Restrooms).

2-5272 Landscape Architect Associate II's: These two Landscape Architect Associate II(s) currently fill two roles in the Capital Division. They are responsible for project planning and development of multiple, medium to large-scale park and landscape projects ($.5M – $10M each). This requires excellent communication and facilitation skills, and sound technical expertise. Planning requires identification of issues, assessment of physical and environmental constraints, consensus building with communities, contract management, interaction with the Commission and its Committees. Their current project responsibilities include but are not limited to the following projects: (Duboce Park, Alamo Square, 23rd and Treat Park, Brooks Park, Mission Delores Park, Faye House and Park, Walter Haas Jr. Park, Aptos Park, Lake Merced, St. Marys Square, Helen Wills PG, Koshland Park, McLaren Park, McAuley Park, Turk Hyde Mini Park, Pioneer Park, GGP East Entrance, So. Sunset Playground, Sunnyside PG).

In addition, these two LA Associate II's are also responsible for preparing contract documents, and participate in the construction process for smaller projects performed by in house construction crews and informal construction contracts.

1446 Secretary: The Secretary provides support to the Project Development and Planning Team described above (and the additional positions). The position is responsible for reception and coordination, typing support, filing and record keeping of project files. The position assists in the public notification process and scheduling of community meetings. The position assists in data collection, reporting and coordination of the team's staff.

This memo is in response to your e-mail request of 4/4/01 below:

The Budget Analyst's office would also like to request in writing an explanation for what you used to base your estimate of $150 million to be earned ($100 M in Federal and State funding and $50 M in philanthropic funding). We will attach your response to our report to the Board of Supervisors. Please state:

1. How you came up with these numbers
Response: When a request for a bond proposal was submitted to the CIAC last fiscal year, RPD was encouraged by the committee to explore alternate sources of funds, to leverage the available bond funds to meet its capital needs. The amount of funding necessary is the result of need minus the available public funds. The CIAC and CCSF Policy Makers were unwilling to propose a larger GO Bond. In response the CIAC's request, RPD reviewed available funds from the following sources and ~~its~~ previous history in philanthropic efforts:

State

a. State Park Bond – Proposition 12 – $845M ($510M in FY 00-01)
   20 Programs (Not all available to CCSF, 1 specific to Golden Gate Park for $15M)
b. Water Protection Act – Proposition 13 – $630M ($171M in FY 00-01)
   27 Programs (Not all available to CCSF)
c. State Energy Commission (Energy Efficiency)
d. California Waste Management Board (Recycled Tire Program)
e. California Department of Forestry (Urban Forestry)
f. Legislative set asides ($3 M to $5 M for FY 00-01) The RPD has been successful in the past in obtaining legislation through its representatives in State government for capital improvements in Recreation and Park System (i.e. Margaret Hayward PG Clubhouse, the Palace of Fine Arts, the Sunnyside Conservatory). We expect, working with the Legislators, the Board of Supervisors and the Mayors office to maintain that level of funding annually.

Federal

a. National Park Service - Land and Water Conservation Fund
   CA = $7.7million ($1.7million northern)
b. Urban Park and Recreation Recovery
   $28.9 million

Philanthropic

With the help of community groups and park advocates, the Capital Division aims to secure additional funds for capital improvements through Private Funds and Foundations including: Trust for Public Lands, Friends of Recreation and Park, other organizations and local community advocates. This has recently taken place in many forms including, gifts in place (i.e. playground structures purchased and installed by local organizations), fund-raising (i.e. $12M for the renovation of the Conservatory of Flowers), and design/engineering services (i.e. North Beach Pool-Private Foundation).

2. Please provide as documentation a list of Federal, State and philanthropic funding expected to be available in future years (name of grants, funding sources, etc. and amounts).

Federal

c. National Park Service - Land and Water Conservation Fund ($450M FY 01-02)
d. Urban Park and Recreation Recovery ($100M FY 01-02)

State

g. State Park Bond – Proposition 12 – $845M ($TBD in FY 01-02)
h. Water Protection Act – Proposition 13 – $630M ($TBD in FY 01-02)
i. Possible future Programs - ABX29

Source: Recreation and Park Department

3. Please describe for each of the above the methodology/ formula that will be used by Federal govt./State/other funding source to distribute such funds.
Response: In some cases, State Bonds Proposition 12 and 13, regulations are still in development. In other cases the requirements can be seen at website references in #1.

3. Please describe for each of the above the methodology/ formula that will be used by Federal govt./State/other funding source to distribute such funds.
Response: The methodology and formula for grant funding is extensive and specific information can best be retrieved at the websites provided below.

National Park Service - Land and Water Conservation Fund
(methodology/ formula - see http://cal-parks.ca.gov/grants/lwcf/lwguide.doc)

Urban Park and Recreation Recovery
(methodology/ formula - see http://www.ncrc.nps.gov/uparr/)

2000 Park Bond Act Grants
(methodology - see http://cal-parks.ca.gov/grants/index.htm)

Item 5 - File 01-0358

Department:	District Attorney's Office
Item:	Hearing to consider the release of reserves in the amount of $55,000 to provide pre-trial services for defendants charged with "quality of life" infractions.
Amount:	$55,000
Source of Funds:	General Fund monies reserved in the Fiscal Year 2000-2001 District Attorney's Office budget.

Description:

During the FY 2000-2001 budget hearings, the Board of Supervisors approved, and placed on reserve, $55,000 in the District Attorney's Office budget for pre-trial services, including support services, for defendants charged with quality of life infractions, pending submission of program budget details. Quality of life infractions are violations of the San Francisco Police, Health, or Park and Recreation Codes, including public drinking, loitering, and other such violations.

During the FY 2000-2001 budget review, the Board of Supervisors authorized transfer of responsibility for prosecuting quality of life infractions from the City Attorney's Office to the District Attorney's Office, as of August 1, 2000. To cover the costs of prosecuting quality of life infractions, the Board of Supervisors authorized transfer of $275,640 from the City Attorney's Office budget to the District Attorney's Office budget. $55,000 of the $275,640 was reserved, pending submission of budget details to the Board of Supervisors for pretrial services for individuals charged with quality of life infractions. Pretrial services for individuals charged with quality of life infractions include assessing the individual's needs, determining if the individual should receive counseling services or be assigned to community service, and arranging for such counseling services or community service.

Prior to August 1, 2000, the City Attorney's Office reimbursed the Sheriff's Department on a work-order basis for pretrial services provided by the Pretrial

Diversion Project, a nonprofit organization, to individuals charged by the City Attorney's Office with quality of life infractions. According to Ms. Jean Mariani of the Sheriff's Department, the Sheriff's Department modified an existing contract with the Pretrial Diversion Project to provide services for individuals charged with quality of life infractions. Under the modified contract, the Pretrial Diversion Project was paid $63,000 annually, in 12 equal monthly installments of $5,250, which was paid on a work-order basis by the City Attorney's Office to the Sheriff's Department. The FY 1999-2000 contract between the Sheriff's Department and the Pretrial Diversion Project totaled $801,000, including $63,000 for services provided to individuals charged with quality of life infractions. Ms. Mariani states that the modified agreement with the Pretrial Diversion Project to provide services to individuals charged with quality of life infractions, which specified that such services were provided for the City Attorney's Office, was terminated when responsibility for charging individuals with such infractions was transferred from the City Attorney's Office to the District Attorney's Office on August 1, 2000.

Currently, the District Attorney's Office does not have a contract with the Pretrial Diversion Project to provide services to individuals charged with quality of life infractions. As stated in the attached memorandum (Attachment I) provided by the District Attorney's Office, the District Attorney's Office did not enter into a contract with the Pretrial Diversion Project when it assumed responsibility for the program on August 1, 2000, because program changes in both the District Attorney's Office and in the services provided by the Pretrial Diversion Project were anticipated. According to Mr. Tim Silard of the District Attorney's Office, the District Attorney's Office has been working with the Superior Court, the Police Department, the Mayor's Office, and the Pretrial Diversion Project to develop the quality of life infraction program, including the number of individuals who would be referred to the Pretrial Diversion Project for services and what type of services would be provided. As noted in Attachment I, the Pretrial Diversion Project has continued to provide services to individuals charged with quality of life infractions since August 1, 2000, when the

program was transferred from the City Attorney's Office to the District Attorney's Office. Mr. Silard states that the District Attorney's Office "early this year...decided that the program has stabilized and ...were prepared to request the release from reserve" of $55,000 to pay for the services provided by the Pretrial Diversion Project to individuals charged with quality of life infractions.

The requested release of reserved funds in the amount of $55,000 would pay for services provided by the Pretrial Diversion Project to individuals charged with quality of life infractions on a retroactive basis from August 1, 2000 to date and for prospective services to be provided from April 1, 2001 through June 30, 2001, an 11-month period.

Budget:

The budget for services provided by the Pretrial Diversion Project to individuals charged with quality of life infractions for the 11-month period retroactive from August 1, 2000 through June 30, 2001, is as follows:

1.35 FTE Court Alternative Specialist @ $40,000 per year (for 11 months)	$49,500
Fringe benefits (11.1 percent)	5,500
Total	*$55,000*

Comments:

1. According to Mr. Silard, since responsibility for the quality of life infractions program was transferred to the District Attorney's Office in August of 2000, the District Attorney's Office has reviewed approximately 450 individuals charged with quality of life infractions for eligibility in the pretrial diversion program and referred approximately 170 of these individuals to the Pretrial Diversion Project. The Pretrial Diversion Project determines if the individual will perform community services, such as neighborhood clean up, or receive counseling services. After 60 days, the individual is scheduled for a court hearing, and charges will be dismissed if the individual has complied with the pretrial diversion program.

2. Mr. Silard states that the average number of referrals to the Pretrial Diversion Project has increased by 15.65

cases, from 8.75 referrals per month between January 2000 and August 2000, to 24.4 referrals per month, a 178.8 percent increase, between September 2000 through February 2001. According to Mr. Silard, the Pretrial Diversion Project has provided services to 170 individuals charged with quality of life infractions between August 1, 2000 and March 13, 2001, at an average cost of $206 per individual.[1] Attachment II describes the services provided by the Pretrial Diversion Project to individuals charged with quality of life infractions.

3. As previously noted, the modified agreement between the Sheriff's Department and the Pretrial Diversion Project to provide services to individuals charged with quality of life infractions was terminated when responsibility for charging individuals with such infractions was transferred from the City Attorney's Office to the District Attorney's Office on August 1, 2000. Currently, the District Attorney's Office does not have a written contract with the Pretrial Diversion Project to provide services for individuals charged with quality of life infractions, although the Pretrial Diversion Project has continued to provide such services since August 1, 2000. According to Mr. Silard, the District Attorney's Office has not paid the Pretrial Diversion Project for services provided since August 1, 2000. The Budget Analyst notes that the District Attorney's Office has received services from the Pretrial Diversion Project for individuals charged with quality of life infractions without a contract agreement and prior to the request for release of the reserved funds. Therefore, the District Attorney's Office subject release of reserved funds is being made on a retroactive basis.

Recommendation: Approval of the retroactive request for the release of reserved funds of $55,000 is a policy matter for the Board of Supervisors.

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[1] During the FY 2000-2001 budget process, the Board of Supervisors appropriated $55,000 for pretrial diversion services for individuals charged with quality of life infractions for the 11-month period from August 1, 2000 through June 30, 2001, or $5,000 per month ($55,000 divided by 11 months). The Pretrial Diversion Project provided services to 170 individuals charged with quality of life infractions for the 7-month period from August 1, 2000, through February 28, 2001, for an expected reimbursement of $35,000 ($5,000 per month times 7 months). This equals $206 per individual ($35,000 divided by 170).

Attachment I
Page 1 of 2

TERENCE HALLINAN
DISTRICT ATTORNEY
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

April 4, 2001

To: Severin Campbell
Budget Analyst's Office

From: Tim Silard
Assistant District Attorney

Re. Release of Reserves to Pretrial Diversion Project

Following, please find responses to your questions regarding the District Attorney's request to release reserve funds for the "quality of life" infraction program. Specifically, you requested information regarding: 1. Why the District Attorney's Office did not request release of the funds earlier, and; 2. Why services were provided in the absence of a contract with Pre-Trial Diversion. Please feel free to contact me at (415) 553-9723 if I can provide any additional information.

A. Why Funds Were Not Requested Sooner

1. In July 2000, the Board Finance Committee placed the funds for services from Pre-Trial Diversion on reserve. In discussions with members of the committee, it was anticipated that our office would assess and restructure the infraction program once taking it over from the City Attorney. Program changes were anticipated on both the legal side and services side. I believe it was also understood that the program, including delivery of support services, would not be halted but would continue while we worked with all the partners to reshape the program and make it better.

2. On August 1, 2000, the infraction program was shifted to our office from the City Attorney. New legal staff were assigned to the project. Because of the pilot nature of this program, the District Attorney worked with the Courts, Pre-Trial Diversion, Police Department, community advocacy groups, and others to shape the infraction initiative in a productive manner, one that meets the service needs of the clients and also responds to the quality of life concerns of impacted neighborhoods.

3. Over the ensuing several months, the District Attorney and Pre-Trial Diversion worked together to refine the services provided to ensure comprehensive case management and support services for high-need clients as well as impactful community service opportunities in the City's neighborhoods for those individuals selecting community service rather than support

services. The program has been a work-in-progress with evolving approaches. Addressing the service needs of some of San Francisco's highest-need residents is challenging for any agency, no less so in the context of this brand new approach to the problem of quality of life violations. At the time these funds were placed on reserve, it was the understanding of the District Attorney's Office, Pre-Trial Diversion, other interested agencies, and the Board of Supervisors Finance Committee that just such a program planning process would occur prior to the District Attorney requesting the release from reserves.

4. Changes to the program resulted in significantly increased numbers of offenders participating in services. Early this year, we decided that the program had sufficiently stabilized and that we were prepared to request the release from reserve. We requested the release on February 16, 2001.

B. Contract Issues

1. Pre-Trial Diversion has continued to provide services all along, even in the absence of a contract. I do not believe that the Finance Committee anticipated nor desired that services stop while program development and planning activities took place. Our Office's decision was that we would not execute a contract on the basis of appropriated funds that were on reserve. Without the release of the funds, executing such a contract would obligate us to spend money we did not have.

2. We have anticipated that the contract for services would be handled as it was in 1999-2000 when the City Attorney managed the program. In 1999, the existing contract between the Sheriff and Pre-Trial Diversion was amended to include the infraction program. We anticipate asking the Sheriff to re-amend their contract with substantially the same language as that included in 1999-2000 and we will work order the funds to the Sheriff once they are released from reserves. Pre-Trial Diversion will send invoices for this program to our office and we will approve them before forwarding to the Sheriff for payment.

Attachment II

SAN FRANCISCO PRETRIAL DIVERSION PROJECT, INC.
567 • 7th Street
San Francisco, California 94103
(415) 626-4995

March 13, 2001

MEMO TO: Theresa Serata,
Office of the District Attorney

FROM: Maureen DeBoer, Program Director

RE: Quality of Life Program Services Report

Since August 1, 2000, the Quality of Life Program has assisted over 170 participants cited for infraction cases in San Francisco. Those who chose this "fine alternative" option received case management, placement in community organizations and court advocacy. As projected, we served nearly 50 high-need clients and over 120 other participated in community-improvement programs.

Case Management: Clients are escorted from court to begin immediate assessment for case management. During intake, clients engaged in assessment for "personal service needs" such as substance abuse issues, mental health, homelessness, educational needs or any combination thereof. If a client presented with any of those PSN issues, a placement in a community-based program designed to address that need was made. Clients were directed to English as a Second Language classes, detox service, treatment readiness programs and life skills classes. Clients also received a transport if necessary free clothes or bus tokens. After placement, clients continue to be monitored on a regular basis. For the service period beginning August 2000, 35% of participants are placed in a personal service needs program.

Community Outreach and Projects: Pretrial Diversion staff has personally visited each and every site where clients may be placed for treatment or services. For the remaining 65% of clients who fall outside of the high-need category, community service project development allowed them to participate in projects that provided a visible community impact that included park cleanup, graffiti removal and support for our large network of non-profit organizations. Clients also worked at a local food bank in exchange for a bag of groceries. Many of our community projects are coordinated and supervised by staff to ensure quality and accountability.

Court Liaison: Clients are walked from the Hall of Justice directly to our office in order to begin immediate services. Commissioner Colbert, Commissioner Lyons and the DA's office all receive written notification on the status of the client: if they successfully completed the assigned program, if they required additional time or if they failed to comply.

Please contact Will Leong or myself at (415) 626-4995 if you have any questions.

Item 6 – File 00-1895

Note This item was continued by the Finance and Labor Committee at its meeting of December 20, 2000.

Note: This item was continued by the Finance and Labor Committee at its meeting of November 29, 2000 to allow the Department of the Environment to submit a revised proposal for expenditure of reserved funds.

Department: Department of Environment

Item: Hearing to request release of $146,244 in reserved Hetch Hetchy funds, to be used by the Department of Environment to enter into a professional services contract.

Amount: $146,244

Source of Funds: Hetch Hetchy operating funds identified as savings and reserved by the Board of Supervisors in the Fiscal Year 2000-2001 Hetch Hetchy budget.

Description: In 1999, Hetch Hetchy redistributed the duties and responsibilities of its Bureau of Energy Conservation, an in-house bureau responsible for projects to increase energy efficiency in City facilities, to other bureaus within Hetch Hetchy and to the Department of Environment. While Hetch Hetchy continues to oversee energy conservation programs for existing City facilities, the responsibility for energy efficiency for new City construction projects has been shifted to the Department of the Environment. The Resource Efficiency Building (REB) Ordinance that was approved by the Board of Supervisors in May of 1999 (File No. 99-0443) requires the Department of Environment to develop guidelines for the design and construction of new City facilities which are to be energy efficient. Prior to Hetch Hetchy's reorganization, the Hetch Hetchy Bureau of Energy Conservation had been providing significant support towards implementing the REB ordinance.

During the Finance and Labor Committee's annual budget review in June of 2000, the Committee placed $146,244 of the proposed FY 2000–2001 Hetch Hetchy budget on reserve which was also approved by the full Board of Supervisors. The purpose of the reserve was to

fund the Department of Environment's estimated expenditure of $146,244 to hire two Senior Energy Specialists.

Since that time, the Department of Environment has revised its plans, and now proposes to enter into a contract for consulting services to support various REB projects. The Department of Environment's revised proposal is explained in Attachment I to this report, provided by the Department.

Budget: Attachment II, provided by the Department, contains a budget for the proposed release of $146,244 in reserved funds.

Comments: 1. Attachment I to this report is a memorandum from Ms. Francesca Vietor of the Department of Environment. In Attachment I, Ms. Vietor lists ten "activities" which the department would undertake, through the use of an expert consultant, with the currently reserved $146,244 in funds. Ms Vietor goes on to write in Attachment I:

> *The Department of the Environment is responsible for implementing the Resource Efficiency Building Ordinance (REB). ...services will be rendered for three high priority design projects:*
>
> - *Renovation of Laguna Honda Hospital*
> - *Administration building at 525 Golden Gate*
> - *Renovation of the California Academy of Sciences*

With regard to the overall success of the REB, Ms. Vietor further states:

> *In order to supplement this fledgling program, we are in discussions with Hetch Hetchy to supplement REB efforts with two existing as-needed engineering services contracts. We have access to Hetch Hetchy contracts; however, it is unclear how much assistance will be provided. As assistance is made available, the contractors will then work on one or more of the following REB pilot projects:*
>
> - *New Mission Park and Recreation Center*

- *Replacement of the Visitacion Valley Recreation Center*
- *New Muni maintenance station at Islais Creek*
- *New parking garage at Golden Gate Park Concourse*
- *New West End Pavilion in Golden Gate Park*

Even with the support of Hetch Hetchy and the release from reserve, and because of the scope and magnitude of the pilots, we will probably need additional resources to be successful with the REB program.

2. Attachment II to this report, provided by the Department, is a "task-based budget" for the subject $146,244 in reserved funds, and a fee structure for the proposed expert consultant.

3. Attachment III to this report, provided by the Department, is a memorandum by Ms. Vietor describing the consultant selection process undertaken by the Department. Brown Vance and Associates was selected as the consultant for this project as described in Attachment III.

4. Attachment IV to this report, provided by the Department, is a memorandum by Ms.Vietor, in which Ms. Vietor writes *"None of the currently reserved $146,244 that we are requesting be released have been expended or encumbered for the proposed project."*

5. As noted above, the subject reserved funds were originally placed on reserve by the Board of Supervisors to allow Department of Environment to hire two Senior Energy Specialists. As the Department of Environment is now requesting that the subject reserved funds be used to enter into a professional services contract instead, the Budget Analyst considers the proposed release of reserved funds to be a policy matter for the Board of Supervisors.

Recommendation: Approval of the requested release of reserved funds is a policy matter for the Board of Supervisors, in accordance with Comment No. 5.

BOARD OF SUPERVISORS
BUDGET ANALYST

SF Environment

WILLIE L. BROWN, JR.
Mayor

FRANCESCA VIETOR
Director

April 3, 2001

To: Harvey Rose

From: Francesca Vietor
Director

Subject: Release from Reserve, Document 1

The Department of the Environment is responsible for implementing the Resource Efficient Building Ordinance (REB). For the FY00-01 Budget $146,244 were placed on reserve at the Department of the Environment to support the energy portion of the REB program. With these funds we plan to use an expert consultant to accomplish the tasks identified below.

Work Scope

The $146,244 will be used over the contract period to implement the following REB activities:

1. Recommend and develop the approach for energy-efficient design in REB pilot projects.
2. Review, analyze, and make recommendations for specific energy-saving opportunities—may include benefit-cost analysis and building modeling for pilots.
3. Perform due-diligence reviews of other firms' energy-efficiency design recommendations, benefit-cost analysis, and building modeling
4. Prepare and/or review commissioning plans.
5. Perform measurement and verification of energy-efficient equipment; including client satisfaction with the equipment and savings realized.
6. Review and assess equipment training proposed by contractors; assess maintenance staff satisfaction with equipment, and provide supplemental technical support/training as needed.
7. Develop energy-efficiency design guidelines that are applicable to a wide range of CCSF facility types (for inclusion in REB tool kit)—including both prescriptive and performance.
8. Develop RFP and specifications language for energy-efficiency measures (for inclusion in REB tool kit)
9. Work with SF Environment staff to develop amendments to CCSF's REB ordinance to strengthen its energy-efficiency requirements.
10. Develop and conduct workshops for CCSF engineers, architects, building inspectors, and other staff on resource efficient building principles.

Department of the Environment, City and County of San Francisco
Telephone: (415) 554-6390 • Fax: (415) 554-6393 • 11 Grove Street, San Francisco, California 94102
Email: Environment@ci.sf.ca.us • www.sfenvironment.com

April 5, 2001
Page 2

These services will be rendered for three high priority design projects:

- Renovation of Laguna Honda Hospital
- Administration building at 525 Golden Gate
- Renovation of the California Academy of Sciences.

Please note that $146,244 is a small piece of what is necessary for the implementation of the REB program and the successful development of the pilot projects. In order to supplement this fledgling program, we are in discussions with Hetch Hetchy to supplement REB efforts with two existing as-needed engineering services contracts.

We have access to the Hetch Hetchy contracts; however, it is unclear how much assistance will be provided. As assistance is made available, the contractors will work on one or more of the following REB pilot projects:

- New Mission Park and Recreation Center
- Replacement of the Visitacion Valley Recreation Center
- New Muni maintenance station at Islais Creek
- New parking garage at Golden Gate Park Concourse
- New West End Pavilion in Golden Gate Park

Even with the support of Hetch Hetchy and the release from reserve, and because of the scope and magnitude of the pilots, we will probably need additional resources to be successful with the REB program.

<u>Consultant Budget of $146,244</u>

The planned budget for this contract was $66,244. The other $80,000 was to be work ordered to DPW for energy analysis and modeling work to be performed by the contracted engineering firms for Cal Academy and Laguna Honda Hospital. However, to provide greater accountability for the analysis and modeling process, and receive the best possible work product, we have increased the budget for this contract to $146,244.

A detailed breakdown of the work is on the attached spreadsheet. Note: assuming this contractor will perform the building modeling (Task 2) means that the percentage for each task has changed from the original estimate.

Thank you for your assistance. If you have any questions, please call Cal Broomhead, 934-4802.

SF Environment

April 3, 2001

To: Harvey Rose

From: Francesca Vietor

Subject: Release from Reserve - Budget, Document #2

The following are the hourly rates for the Contractor's personnel:

Principal	$165
Vice-President	$140
Senior Associate II	$120
Senior Associate I	$105
Associate II	$90
Associate I	$80
Engineer/Planner II	$75
Engineer/Planner I	$65
Editing/drafting	$60
Administrative Support	$50

The following are the tasks and per task the estimated hours, average hourly rate, and total budget:

Task	Hours	Average Hourly Rate	Total Budget
1. Recommend and develop the approach for energy-efficient design in REB pilot projects.	111	$90.23	$10,015
2. Review, analyze, and make recommendations for specific energy-saving opportunities—may include benefit-cost analysis and building modeling for pilots.	1227	$86.91	$106,644
3. Perform due-diligence reviews of other firms' energy-efficiency design recommendations, benefit-cost analysis, and building modeling.	30	$104.00	$3,120
4. Prepare and/or review commissioning plans.	41	$79.39	$3,255
5. Perform measurement and verification of energy-efficient equipment; including client satisfaction with the equipment and savings realized.	33	$77.12	$2,545

WILLIE L. BROWN, JR., Mayor

FRANCESCA VIETOR, Director

Department of the Environment, City and County of San Francisco
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6. Review and assess equipment training proposed by contractors; assess maintenance staff satisfaction with equipment, and provide supplemental technical support/training as needed.	11	$125.91	$1,385
7. Develop energy-efficiency design guidelines that are applicable to a wide range of CCSF facility types (for inclusion in REB tool kit)—including both prescriptive and performance.	40	$106.25	$4,250
8. Develop RFP and specifications language for energy-efficiency measures (for inclusion in REB tool kit).	43	$85.23	$3,665
9. Work with SF Environment staff to develop amendments to CCSF's REB ordinance to strengthen its energy-efficiency requirements.	13	$128.08	$1,665
10. Develop and conduct workshops for CCSF engineers, architects, building inspectors, and other staff on resource efficient building principles.	94	$103.19	$9,700
TOTAL			$146,244

SF *Environment*

WILLIE L. BROWN, JR.
Mayor

FRANCESCA VIETOR
Director

April 3, 2001

To: Harvey Rose

From: Francesca Vietor
Director

Subject: Release from Reserve, Document 3

Consultant Selection

We were instructed that before dollars could be released from reserve, we would need to secure an energy services contract. An RFP was issued on January 29, 2001 in order to secure said contract.

There were two bidders for this contract: Brown Vence Associates and AIM Associates. AIM requested a waiver for MBE/WBE goals but HRC denied the request, disqualifying their proposal. AIM was not invited to the interview stage. Contact Bayard Fong, HRC at 831-2082.

The selection panel interviewed only Brown Vence Associates. Brown Vence passed the interview with scores of 40, 37 and 37 - better than the minimum of 35 points out of 55 points possible. Scoring was determined based upon proposed project plan, experience, approach, professional qualifications and similar project experience. Because there was no specified deliverable, a dollar bid was not an appropriate evaluation criterion. Brown Vence was selected.

Department of the Environment, City and County of San Francisco
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SF Environment

WILLIE L. BROWN, JR.
Mayor

FRANCESCA VIETOR
Director

March 27, 2001

To: Harvey Rose

From: Francesca Vietor
Director

Subject: Release from Reserve, Document 4

The Department of the Environment is responsible for implementing the Resource Efficient Building Ordinance (REB). For the FY00-01 Budget $146,244 were placed on reserve at the Department of the Environment to support the energy portion of the REB program. We are proposing to expend these funds on a contract with an expert consultant.

None of the currently reserved $146,244 that we are requesting be released have been expended or encumbered for the proposed project.

Thank you for your assistance. If you have any questions, please call Cal Broomhead, 934-4802.

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Item 7 - File 01-0472

Departments:	Department of Administrative Services, Real Estate Division (RED) Superior Court
Item:	Resolution authorizing exercise of an option regarding an extension of an existing lease at 575 Polk Street, on behalf of the Superior Court.
Location:	The proposed lease amendment would extend the City's lease for the rental of the entire ground floor and mezzanine of 575 Polk Street.
Purpose of Lease:	To extend for 10 years the rental of space that houses three Superior Court courtrooms and office space for 10 employees.
Lessor:	The Mattison Family Trust
Lessee:	City and County of San Francisco, acting by and through the Department of Administrative Services, Division of Real Estate.
No. of Sq. Ft. and Cost Per Month:	8,870 square feet at a monthly rental rate of $16,500 ($1.86 per square foot per month) in Year One of the subject lease.
Annual Cost:	$198,000 in Year One of the proposed lease.
Annual Rent Increases:	Approximately $0.09 per square foot per month, or an increase of 5 percent for Year Two of the proposed lease, with increases in subsequent years at 5 percent over the rate of the year immediately preceding as shown in the table in Comment No. 1.
Annual Cost Over Current Rent Paid:	During FY 2000-2001, the rental rate for the space has been $15,513 per month (approximately $1.75 per square foot per month), or $186,156 for the year. The proposed lease represents an $11,844 annual increase, or

approximately 6.4% percent, in Year One over the existing lease.

Utilities and: Janitorial Services: Mr. Neal Taniguchi of the Superior Court advises that in FY 1999-2000 the following expenses were paid for the subject property:

FY 1999-2000 Actual Costs	
Gas (paid from the General Fund)	$2,068
Water (paid from the General Fund)	957
Electricity (paid from the General Fund)	2,273
Subtotal	$5,298
Janitorial Services (paid from State Trial Courts Trust Fund)	$27,207
Garbage Collection (paid from State Trial Courts Trust Fund)	2,115
Other Maintenance (Small Repairs-paid from State Trial Courts Trust Fund)	4,051
Subtotal	$33,373
TOTAL	$38,671

Mr. Taniguchi advises that the Gas, Water, and Electricity are paid from the General Fund because the State Trial Court Funding Act of 1997 required that certain maintenance expenses (including Gas, Water and Electricity) remain the obligation of the Counties. (The Courts became an arm of the State through Trial Court Funding Act of 1997.) He notes, though, that the State Rules of Court allow for Janitorial Services, Garbage Collection and Other Maintenance to be paid for from the State Trial Court Trust Fund.

Mr. Taniguchi estimates the following costs for FY 2000-2001 based on billings received so far this year:

FY 2000-2001 Estimated Costs	
Gas (paid from the General Fund)	$5,128
Water (paid from the General Fund)	1,027
Subtotal	$6,155
Janitorial Services (paid from State Trial Courts Trust Fund)	$31,713
Garbage Collection (paid from State Trial Courts Trust Fund)	3,000
Subtotal	$34,713
TOTAL	$40,868

Mr. Taniguchi notes that an estimate could not be provided for Electricity as no billings have been received so far this year. He further notes that Other Maintenance (small repairs) totaled $1,947 through the end of January and that this amount varies from year to year depending upon the repairs required.

Term of Lease: Ten years beginning July 1, 2001 and ending June 30, 2011.

Right of Renewal: The Lessee (City) has no right to renew the lease beyond the proposed 10-year extension.

Source of Rental Funds: For FY 2001-2002 (Year One of the proposed lease amendment) and for subsequent years, funding would come from the Courthouse Construction Fund.[1] Mr. Taniguchi

[1] Section 10.100-353(b) of the Administrative Code established the Trial Courts Courthouse Construction Fund for the purpose of assisting the City and County with the "acquisition, rehabilitation, construction and financing of courtrooms or of a courtroom building or buildings containing the facilities necessary or incidental to the operation of the justice system." Section 10.100-353(c) specifies that "all funds shall be expended as jointly determined by the Courthouse Construction Fund Committee (consisting of the Presiding Judges of the Superior and Municipal Court), with the approval of the Board of Supervisors. The fund shall be maintained by the Controller's Office which shall record all receipts and expenditures."

advises that Section 10.100-353 of the Administrative Code also allows the lease payments to be made from the Courthouse Construction Fund. He further notes that payments for the existing 10-year lease, which expires June 30, 2001, were made from the Courthouse Construction Fund. Mr. Robert Kerrigan of Superior Court advises that the Courthouse Construction Fund had an unappropriated balance of $5,952,565 as of April 5, 2001. He further advises that in FY 1999-2000, the Fund generated $4,864,719 in combined revenues from penalty assessments in criminal cases, surcharges on parking citations and surcharges on Superior and Municipal Court first filing fees. The Fund received $303,456 in interest on such revenue resulting in total revenues of $5,168,175. Mr. Taniguchi notes that the expenditures paid from the Fund, including payments for this proposed 575 Polk Street lease and for the annual debt service on the Civic Center Courthouse, total approximately $4.5 million, resulting in estimated annual revenues in excess of annual expenditures by more than $600,000.

Comments:

1. According to the proposed lease, the rent payments owed by the City would be as follows:

Lease Year	Annual Base Rent	Monthly Base Rent	Approximate Rent Per Square Foot / Month	Percent Increase
1	$198,000	$16,500	$1.86	6.4%
2	207,900	17,325	1.95	5%
3	218,292	18,191	2.05	5%
4	229,212	19,101	2.15	5%
5	240,672	20,056	2.26	5%
6	252,708	21,059	2.37	5%
7	265,344	22,112	2.49	5%
8	278,604	23,217	2.62	5%
9	292,536	24,378	2.75	5%
10	307,164	25,597	2.89	5%

2. The original lease, which began April 1, 1991 and ends June 30, 2001, stipulates that the City has the option to extend the lease for two five-year periods. It further stipulates that the monthly rent for each

such extended term shall be set at 90% of the fair market value (at the start of such extended term) for comparable space. Mr. Steve Legnitto of the RED notes that through the proposed lease amendment the City would exercise both options (two options to extend for five years each) and thus extend the lease for 10 years. Mr. Legnitto explains that the Lessor presented the City with proposed rental rate increases based on both a five-year and a 10-year extension. Mr. Legnitto advises that RED determined that the 10-year extension was better for the City because it provides a rental rate that is less than the 90% of fair market value required by the original lease. A comparison of the five-year and 10-year proposals follows:

(Monthly base rent data provided by RED. Calculations by Budget Analyst's Office.)

	Proposed Five-Year Extension				Proposed Ten-Year Extension			
ease Year	Annual Base Rent	Monthly Base Rent	Approximate Rent Per Square Foot/Month	Percent Increase	Annual Base Rent	Monthly Base Rent	Approximate Rent Per Square Foot/Month	Percent Increase
1	$240,000	$20,000	$2.25	28.9%[1]	$198,000	$16,500	$1.86	6.4%[1]
2	252,000	$21,000	2.37	5%	207,900	17,325	1.95	5%
3	264,600	22,050	2.49	5%	218,292	18,191	2.05	5%
4	277,836	23,153	2.61	5%	229,212	19,101	2.15	5%
5	291,720	24,310	2.74	5%	240,672	20,056	2.26	5%
6	306,312[2]	25,526[2]	2.88[2]	5%	252,708	21,059	2.37	5%
7	321,624[2]	26,802[2]	3.02[2]	5%	265,344	22,112	2.49	5%
8	337,704[2]	28,142[2]	3.17[2]	5%	278,604	23,217	2.62	5%
9	354,588[2]	29,549[2]	3.33[2]	5%	292,536	24,378	2.75	5%
10	372,324[2]	31,027[2]	3.50[2]	5%	307,164	25,597	2.89	5%
otal	$3,018,708				$2,490,432			
erage	$301,871	$25,156	2.84		$249,043	$20,754	2.34	

[1] Over current lease rate of approximately $1.75 per square foot per month for FY 2000-2001

[2] Based on estimate by RED for comparative purposes.

Mr. Legnitto advises that the RED believes that a 10-year extension will provide the City with a lease rate that is less than 90% of fair market value for the first five years of the extension as well as for the entire 10-year term. Mr. Legnitto advises that the proposed 10-year extension would result in an average rental rate of $2.34 per square foot per month which is less than the monthly rental rate of

$2.84 per square foot, which Mr. Legnitto advises would be the fair market value of the proposed lease option over the ten-year period. (See Attachment.) To support this conclusion, he advises that when the lease negotiations for the subject property began in the fourth quarter of 2000, the average Civic Center leasing rate for "Class B" (less than prime) office space was approximately $43 per square foot per year ($3.58 per square foot per month). He notes that RED considers the subject property a "special use" property (because the City is an existing tenant and because the space is used for courtrooms) and estimates that the market value was approximately $29.90 per square foot per year ($2.49 per square foot per month) at the time the negotiations began. He further notes that it was the RED's opinion that the 10-year proposed extension reflected a discount over market rates with a starting rate of $22.32 per square foot per year ($1.86 per square foot per month) and an ending rate of $34.63 per square foot per year ($2.89 per square foot per month). Mr. Legnitto advises that the RED chose the 10-year proposal for three reasons: (1) that the courts would likely need the space for an additional ten years (2) to maximize the return on $710,715 in improvements to the space that were completed by the City in 1990, and (3) to minimize the risk of an escalating rental market.

3. Negotiations regarding the subject lease began in the fourth quarter of 2000. Mr. Legnitto notes that RED believed at that time that the five-year proposal represented the fair market value of the subject property and the 10-year proposal represented a price less than 90% of the fair market value. He advises that the RED still believes this to be true despite the fact that commercial vacancies have increased in recent months in some San Francisco neighborhoods. As noted above, Mr. Legnitto advises that the proposed 10-year extension would result in an average rental rate of $2.34 that is 82.4 percent of his estimate of $2.84 per square foot per month, which he advises represents fair market value over the 10-year period. The Attachment, provided by Mr.

Legnitto, provides additional information pertaining to market value.

4. Mr. Gordon Park-Li of the Superior Court advises that the subject property includes three courtrooms, one jury deliberation room and two offices on the ground floor totaling 7,979 square feet. He advises that the 891 square foot mezzanine space is used for storage for a total of 8,870 square feet.

5. Mr. Taniguchi advises that the following additional expenses are currently paid by the City and would continue to be paid under the proposed lease:

FY 1999-2000 Actual Cost	
50% of the real Property Taxes (paid from Courthouse Construction Fund)	$15,557
Portion of Fire and Loss of Rent Insurance (paid from Courthouse Construction Fund)	735
TOTAL	$16,292

6. The proposed lease amendment provides that between March 1, 2006 and June 30, 2006, the Lessor will, at the Lessor's expense, repaint all of the interior walls of the subject property.

Recommendation: Approve the proposed resolution.

City and County of San Francisco

Real Estate Division
Administrative Services Department

ATTACHMENT
Page 1 of 1

MEMORANDUM

DATE: April 4, 2001

TO: Budget Analyst

FROM: Steve Legnitto
Principal Real Property Officer

SUBJECT: 575 Polk Street

Although we have seen a recent decline in the commercial leasing market, this has been primarily in the South of Market, Mid-Market, and Potrero Hill areas of the city. The Civic Center area has remained stable with no significant increase in vacancy.

In regard to this specific lease, we are continuing a lease where the city is currently a tenant. We consider this lease to fall under a "special use" category since the space is primarily being used as courtrooms. Additionally, the city made tenant improvements to the premises prior to its occupancy that would not make economic sense to abandon at this time.

We began negotiations for extension of this lease in the 4th quarter of last year and recently concluded them . At the time we began our negotiations, we believed that the proposed five year deal was at market rate and that the proposed ten year deal was less than 90% of the leasing market value. In our opinion, this is still the case since the market for this "special use" Civic Center property has not declined from our original assessment as of the writing of this report.

(415) 554-9850
FAX: (415) 552-9216

Office of the Director of Property
25 Van Ness Avenue, Suite 400
San Francisco, CA 94

Item 8 – File 01-0473

Department: Airport
Department of Real Estate (DRE)

Item: Resolution authorizing the acquisition of 5 noise easements for properties located in the City of San Bruno.

Amount: $2,100,000, with an anticipated 80 percent reimbursement from the City of San Bruno of (see Comment No. 3)

Source of Funds: Airport Capital Projects Commercial Paper Fund (see Comment No. 4)

Description: According to Ms. Sally Osaki of the Airport, California law prohibits the operation of an airport if that airport has an average noise impact of greater that 65 decibels on properties that have "incompatible land uses" with regard to this noise, unless a waiver is obtained by that airport from the California Department of Transportation. "Incompatible land uses" include residences, schools, hospitals, convalescent homes, and churches, inside which the noise from airport operations averages above 65 decibels. San Francisco International Airport is currently not in full compliance with this regulation, and has operated under a waiver provided by the California Department of Transportation since 1982. In its current non-compliant status, the Airport must reapply for a new waiver every three years.

The Airport, through its Noise Reduction Program and in cooperation with neighboring municipalities and the County of San Mateo, has undertaken efforts to reduce noise levels in the interior of Incompatible Land Uses near the Airport in order to come into compliance with current California law. To date, as a part of the Airport's Noise Reduction Program, the Board of Supervisors has previously authorized the Airport to acquire Grants of Easement, in exchange for provision of noise insulation, from the owners of 11,200 dwellings, eight churches and four schools in the cities of Daly City, Pacifica, San Bruno, Millbrae, South San Francisco, and in the unincorporated areas of San Mateo County. Of the total cost of insulating

these structures of $153.3 million, the Airport has paid approximately $116 million, or 75.7 percent, while the other jurisdictions have paid, using Federal Aviation Administration (FAA) grant funds, approximately $37.3 million, or 24.3 percent. Each noise easement acquired by the Airport is effective for 20 years from the date of acquisition.

The proposed resolution would authorize the Airport to acquire five 20-year noise easements in exchange for the Airport providing noise insulation for five structures that currently experience Airport-related noise levels averaging higher than 65 decibels. Acquisition of the subject five easements, per the proposed resolution, is anticipated to be the next-to-last noise abatement measure which the Airport must undertake in order to attempt to come into full compliance with California law (see Comment No. 2).

Comments:

1. According to Ms. Osaki, five Grants of Easement would be acquired from the owners of five properties in the City of San Bruno, consisting of four churches and one skilled nursing facility. After the easements are granted to the Airport, the Airport would provide funding for noise insulation of these structures, per the Airport's Noise Reduction Program, according to Ms. Osaki. Ms. Osaki states that the subject easements would remain in effect for a period of 20 years.

2. According to Ms. Osaki, the Airport is currently aware of six additional non-residential structures near the Airport that constitute Incompatible Land Uses, which Ms. Osaki states will be addressed in future separate legislation, subject to Board of Supervisors approval, to acquire the necessary six Grants of Easement. According to Ms. Osaki, once the Airport has acquired noise easements for the five subject structures and the six additional remaining structures, the Airport will file a notice with the California Department of Transportation stating that it is in compliance with California law. The Airport anticipates that the California Department of Transportation will then determine that the Airport no longer requires a waiver to operate lawfully, according to Ms. Osaki.

3. Ms. Osaki states that the total cost to acquire the subject five easements would be $2,100,000. According to Ms. Osaki, however, the Airport anticipates to be reimbursed by the City of San Bruno for 80 percent of this total cost, or $1,680,000, through a grant to the City of San Bruno from the Federal Aviation Administration (FAA). The remaining cost to the Airport would then be $420,000, or 20 percent of the overall cost of $2,100,000. Ms. Osaki notes, however, that if the FAA were to deny the City of San Bruno's current request to the FAA for 80 percent of the cost of providing noise insulation, the Airport would be required to pay the full project cost of $2,100,000 in exchange the subject noise easements.

4. According to Ms. Osaki, the Airport Capital Projects Commercial Paper Fund, which was previously appropriated by the Board of Supervisors for the purpose of insulating structures in San Mateo County against Airport noise, will have sufficient funds to cover the cost of the subject project.

Recommendation: Approve the proposed resolution.

Item 9 - File 01-0466

Department: Superior Court

Item: Ordinance appropriating $1,200,000 from the General Fund Reserve for the projected shortfall in the Indigent Defense Program for Fiscal Year 2000-2001 and providing for ratification of action previously taken.

Amount: $1,200,000

Source of Funds: General Fund Reserve

Description: Ordinarily, the Public Defender's Office provides defense attorneys to indigent individuals who have been charged with a crime. If the Public Defender's Office determines that a conflict of interest would result if the Public Defender were to provide the defense attorney (e.g., multiple defendants), the Superior Court appoints a private defense attorney through the Superior Court's Indigent Defense Program. The Superior Court pays the fees for such private defense attorneys, and related fees at predetermined rates. Although the San Francisco Superior Court receives most of its funding through the State Trial Court Funding Program, the subject Indigent Defense Program and the related fees are fully funded by the City's General Fund.

The proposed ordinance would appropriate $1,200,000 of General Fund revenues for increased Indigent Defense Program costs, which, according to Mr. Neal Taniguchi of the Superior Court are due to (a) a carryforward of approximately $550,000 of expenses from FY 1999-2000, (b) approximately $300,000 for increased case costs for preliminary hearings, serious felonies and life felonies, (c) an increase of approximately $150,000 for juvenile delinquency cases and (d) an increase of approximately $200,000 for expert witness and psychiatric evaluation expenses.

Carryforward Expenses from FY 1999-2000 ($550,000)

According to Mr. Taniguchi, the Court carried forward approximately $550,000 of indigent defense counsel bills from FY 1999-2000 into FY 2000-01 because the Court did not have sufficient funds remaining in their FY 1999-2000

appropriations to pay these additional, unanticipated bills. Mr. Taniguchi advises that these additional billings resulted because the Public Defender's Office did not provide attorneys in one of the four courtrooms (Department 11) that held arraignment hearings from March of 1998 through October 1, 1999, due to insufficient staffing in the Public Defender's Office. As a result, all of the counsel assigned for indigent defense cases in one arraignment courtroom were private indigent defense counsel during this approximately 19-month period. The Public Defender's Office was able to hire nine additional staff in order to provide attorneys for indigent individuals for all the arraignment courtrooms by October 1, 1999.

Mr. Taniguchi advises that there is an actual average lag time of between six and nine months, from the time a case is assigned to private indigent defense counsel by the Court to the time that the Court actually receives the bills from the private indigent defense counsel for reimbursement for the private attorney and related expenses. Mr. Taniguchi reports that the Court had previously estimated the time lag for the private attorneys to submit their bills was approximately three months. Therefore, according to Mr. Taniguchi, the Court assumed that the private indigent defense counsel costs resulting from the Public Defender's Office staffing shortages in FY 1998 and 1999 were already fully accounted for when the Court prepared their FY 2000-2001 budget request. However, Mr. Taniguchi advises that during the last few months of FY 1999-2000, approximately $550,000 of unexpected private attorney bills were received, for which sufficient funds had not been previously budgeted, and therefore, such bills are still owed in FY 2000-2001.

Increased Case Costs for Preliminary Hearings, Serious Felonies and Life Felonies ($300,000)

In addition, the proposed request includes approximately $300,000 for increased case costs for preliminary hearings, as well as the serious and life felonies. Mr. Taniguchi advises that all cases generally proceed through a preliminary hearing phase, where the Court determines what the charges will be against the

defendant. As contained in Attachment I, provided by Mr. Taniguchi, and shown in the summary table below, the number of serious felonies and life felonies are anticipated to increase between FY 1999-2000 and FY 2000-2001 by 62 percent and 61 percent, respectively. According to Mr. Taniguchi, several of the cases identified in Attachment I and in the summary table below actually represent individual private attorney billings, and that although each misdemeanor or preliminary hearing case will result in one bill, the serious and life felony cases may result in multiple bills from the private indigent defense counsel.

	FY 1998-99	FY 1999-2000	FY 2000-01	Percent Increase/ (Decrease) FY 1999-2000 to FY 2000-01
Serious Felonies	136	148	240	62%
Life Felonies	45	51	82	61%
Prelim Hearings	2,607	2,185	1,768	(19%)

In addition, the average cost for each life felony case has increased from $6,969 in FY 1999-2000 to $11,788 in FY 2000-2001 and projected at $8,462 for the remainder of FY 2000-2001. Mr. Taniguchi advises that during the first half of FY 2000-01, the Court received several large bills, totaling approximately $100,000, from three life felony cases that were assigned by the Court in 1997 and 1998, inflating the average cost per case more than would be normally expected. Although the number of serious felony cases is projected to increase 62 percent during FY 2000-2001, resulting in most of the unanticipated increase in costs, the average cost for each serious felony case is not projected to increase significantly.

In addition, as shown above, although the number of preliminary hearings has actually declined by 19 percent from FY 1999-2000 to FY 2000-2001, as shown in Attachment I, the average cost for each preliminary hearing case has increased up to a projected 35.5 percent. In FY 1999-2000, the average cost per case was $631 for preliminary hearings, comparable to FY 1998-1999 costs. However, the average cost per case in FY 2000-2001 has

thus far been $781 and the projected average cost per case is $855 for the remainder of FY 2000-2001 for preliminary hearings, or 35.5 percent more than the $631 for FY 1999-2000. Mr. Taniguchi advises that he cannot precisely document why the average costs for the preliminary hearings are increasing. However, Mr. Taniguchi believes that the private indigent counsel may be spending more time on average on each case than in the past because less experienced counsel are being assigned to such cases.

Juvenile Delinquency Cases ($150,000)

The proposed supplemental appropriation includes an additional approximately $150,000 for Juvenile Delinquency Cases assigned to private indigent defense counsel. As shown in Attachment I, the total number of juvenile delinquency cases has increased from 397 cases in FY 1999-2000, to a total projected caseload of 589 cases (300 cases through December of 2000 plus 289 cases projected for the balance of FY 2000-01), an increase of 192 cases or 48 percent. Mr. Taniguchi advises that the increase in juvenile delinquency costs are likely a result of the threefold increase in the "707B petitions", which are petitions filed by the District Attorney's Office to charge a juvenile as an adult in a crime.

According to Mr. Taniguchi, these 707B petitions are considered by the Court through a lengthy hearing process, in which the District Attorney's Office must prove that the juvenile is fit to be tried as an adult. These hearings often involve background investigations, psychiatric evaluations, testimony from expert witnesses, as well as witnesses to the crime. In addition, Mr. Taniguchi advises that these cases often involve multiple defendants, such that the Court must assign conflicts counsel for one or more of the juvenile defendants. According to Mr. Taniguchi, all of the costs associated with these 707B petitions are considered part of the juvenile delinquency case, thus resulting in increased costs for the private indigent defense counsel for juvenile cases as well as increased costs for expert witnesses and psychiatric evaluations.

Expert Witness and Psychiatric Fees ($200,000)

The proposed supplemental appropriation includes an additional approximately $200,000 for expert witness and psychiatric fees that were not anticipated in the FY 2000-2001 budget for the Court. Mr. Taniguchi advises that the expert witness and psychiatric evaluation costs have increased due to the larger number of juvenile delinquency cases, discussed above, as well as the increased use of DNA as evidence in the courtroom. According to Mr. Taniguchi, the increased use of DNA as evidence now requires the indigent defense counsel to hire more expert witnesses to testify in Court.

Comments:

1. According to Mr. Taniguchi, to date, the Court has not fully expended its total budgeted appropriation of $6,546,000 for the Indigent Defense Program. However, the proposed supplemental appropriation provides for retroactive approval of the requested supplemental appropriation of funds because approximately $550,000 of the requested $1,200,000 was incurred during the previous fiscal year.

2. The Budget Analyst notes that hourly rate increases of between 0 and 36.4 percent (increase from $55 to $75 per hour for preliminary hearings) were approved for the private indigent defense counsel, for all cases assigned by the Court after July 1, 2000. The previous and new hourly rates are shown in Attachment II, provided by Mr. Taniguchi. Mr. Taniguchi advises that the Court factored these hourly rate increases into the original FY 2000-01 budget.

3. In FY 1999-2000, the Superior Court received an initial appropriation of $5,900,000 for indigent defense attorneys, juvenile attorney fees, private investigator fees, witness fees and other related expenses. In March of 2000, the Superior Court received a supplemental appropriation of $508,000 due to additional costs for indigent defense counsel based on an increased caseload, for a total FY 1999-2000 appropriation of $6,408,000 for such expenses. In FY 2000-2001, the Board of Supervisors appropriated $6,546,000, an increase of $138,000, or 2.2 percent over the revised appropriation for FY 1999-2000. If the proposed $1,200,000 supplemental appropriation is

approved, the Superior Court would receive a total appropriation of $7,746,000, an increase of $1,338,000 or 21 percent more than was appropriated in FY 1999-2000.

As shown in the summary table below, the total projected actual expenditures for FY 2000-2001 of $7,757,712 will exceed the total budgeted amount of $6,546,000 by an estimated $1,211,712.

	Actual Expenditures Through Dec 31, 2000	Projected Expenditures Through June 30, 2001	Projected Actual Costs	Total Total Amount Budgeted	Projected (Deficit)
Private Defense for Adult Cases	$2,988,597	$2,407,303	$5,395,900	$4,349,500	($1,046,400)
Private Defense Attorney for Juvenile Cases	244,379	259,077	503,456	430,000	(73,456)
Private Defense Attorneys for Conservators Cases	10,557	11,799	22,356	30,000	7,644
Private Investigators	567,563	435,437	1,003,000	1,122,500	119,500
Expert Witnesses	262,950	226,050	489,000	390,000	(99,000)
Psychiatric Evaluations	175,013	158,987	334,000	212,000	(122,000)
Civil Grand Jury Fees	5,000	5,000	10,000	12,000	2,000
Total	$4,254,059	$3,503,653	$7,757,712	$6,546,000	($1,211,712)

Based on the above actual and projected expenditures, the requested supplemental appropriation of $1,200,000 is justified. The Superior Court advises that the additional projected needed costs of $11,712 ($1,211,712 total projected deficit less $1,200,000 subject supplemental appropriation) would be absorbed within the Superior Court's existing FY 2000-2001 budget.

4. The Budget Analyst notes that the proposed General Fund Reserve request of $1,200,000 for the Superior Court was anticipated in the three-year budget projection report prepared by the Controller's Office, the Mayor's Budget Office and the Budget Analyst's Office, in which the projected $66.1 million revenue shortfall for FY 2001-2002 considered this subject $1,200,000 would not be available in surplus to fund the FY 2001-2002 budget.

5. According to Mr. Taniguchi, the Court has a database system that tracks the costs for the indigent defense counsel expenses. In addition, Mr. Taniguchi advises that

the Superior Court employs 3.0 FTE staff, funded with State Trial Court revenues, to process, track and monitor the payment of the indigent defense counsel bills. According to Mr. Taniguchi, if a bill is significantly over the average cost for that particular type of cases (i.e., serious felonies, misdemeanors, etc.), the Judge assigned to that case can request that the State Bar Association, that oversees the private indigent defense counsel that are recommended to the Court, audit that particular private counsel's bills for any irregularities.

6. Attachment III, provided by Mr. Taniguchi explains the Court's efforts to accurately estimate indigent defense counsel expenses. As discussed in Attachment III, "the Court cannot control the policy decisions made by the District Attorney or the Public Defender. That responsibility lies with the Mayor's Office. The Court makes every attempt to accurately estimate indigent defense counsel costs based on historical spending rates. As a result, the Court is unable to anticipate and budget for changes in staffing or assignment of criminal cases or arraignment policies in the District Attorney's Office and the Public Defender's Office."

7. During the FY 2000-2001 budget deliberations, a preliminary analysis conducted by the Budget Analyst indicated that the private court appointed counsel cases, assigned under the Indigent Defense Program, had a higher than average cost per case as compared with the Public Defender's Office for comparable cases. If that is proven to be true after further detailed analysis, the City could potentially save on its total indigent defense costs through creation of a second Public Defender's Office. Based on this factor, combined with the significant increase in private attorney costs that are reflected in the subject request for this $1,200,000 supplemental appropriation, the Budget Analyst continues to recommend that the City conduct an analysis of the comparative costs of creating a second Public Defender's Office in lieu of using private counsel for all conflict of interest cases. Such second Public Defender's Offices have been established in other counties in California, such as San Diego and Contra Costa Counties.

Mr. Taniguchi advises that to date, no analysis of a second Public Defender's Office has been conducted. Attachment III states that "While the Court believes that a Second Public Defender would result in lower quality defense counsel services than provided by the existing (private indigent defense counsel) system, the Court recognizes that the City and County does have the prerogative to decide how these mandated services are provided. The City and County could assume administration of this mandated service, at its own cost, and make whatever changes are necessary to improve the coordination of indigent defense counsel services."

Ms. Kimiko Burton of the Public Defender's Office reports that she is not supportive of a second Public Defender's Office because she believes the current system of using private indigent defense counsel provides the best representation for conflict cases in San Francisco. In addition, Ms. Burton advises that the creation of an alternate Public Defender's Office would not be less expensive than providing private indigent defense counsel and would not completely alleviate the need for private conflicts counsel.

Recommendations:

1. Approve the proposed supplemental appropriation.

2. We recommend that the Board of Supervisors consider retention of an independent outside expert to analyze the costs and benefits of establishing a second Public Defender Office in lieu of continuing to rely on the use of outside private counsel.

Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

Attachment I

Case Analysis method / Case Type	98-99 No of Cases	98-99 %	98-99 Avg Cost/ Person		99-00 No of Cases	99-00 %	99-00 Avg Cost/ Person		Through December FY2000-01 No of Cases	%	NewAvg Cost Person	Expenditures To-Date	Estimated Remaining Cases	Projected Avg cost/ Case	Est Cost Rem Cases	total est Cost
Juvenile				[redacted]				[redacted]								
Misdemeanor Delinquency	21	7%	$ 412		15	4%	528		17		444	7,548	13	444	5,772	13,320
Reg Delinquency	249	79%	$ 736		341	86%	809		235		749	176,015	235	838	196,930	372,945
Serious Delinquency	46	15%	$ 2,340		41	10%	2,519		48		1,267	60,816	41	1,375	56,375	117,191
Total	316	100%			397	100%	975		300			244,379	289		259,077	503,458
Conservatorships	37		$ 643		144		292		23		459	10,557	23	513	11,799	22,358
Regular Felony	1,450	28.87%	$ 629		1,761	35%	680		1,092		728	794,976	668	676	451,568	1,246,544
Serious Felony	135	2.69%	$ 6,194		148	3%	5,820		135		5,701	769,635	105	6,093	639,765	1,409,400
Life Felony	45	0.90%	$ 8,565		51	1%	6,969		32		11,788	377,218	50	8,462	423,100	800,318
Misdemeanor	611	12.16%	$ 574		460	9%	618		320		530	169,600	320	554	177,280	346,880
Prelim Hearing Reg fel	2,607	51.90%	$ 630		2,185	43%	631		1,024		781	799,744	744	855	636,120	1,435,864
Prelim Hearing Ser/life fel											5,701	-	-		-	-
Probable Cause	146	2.91%	$ 628		69	1%	1,109		93		780	72,540	90	820	73,800	146,340
Other	29	0.58%	$ 246		6	0%	303		7		698	4,886	7	810.00	5,670	10,556
TOTALS	5,023	100%	17,466		4,680	93%			2,703			2,968,597	1,984		2,407,303	5,395,900
Investigators												567,563				1,003,000
Expert Witnesses												262,950				489,000
Psychiatric evals												175,013				334,000
												4,249,059				7,747,712
Appropriation																6,546,000
Estimated Shortfall																(1,201,712)

MAR 22 '01 01:40PM

SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN FRANCISCO

Superior Court of California
County of San Francisco

ALFRED G. CHIANTELLI
PRESIDING JUDGE

400 MCALLISTER STREET, SAN FRANCISCO, CA 94102-4514, (415) 551-5715

July 10, 2000

Ms. Carol Woods, Director
Lawyers Referral Service
The Bar Association of San Francisco
465 California Street, Suite 1100
San Francisco, CA 94104-1826

Dear Ms. Woods:

Effective, July 1, 2000, the San Francisco Superior Court has increased the hourly rate of pay for the following services:

Service	Old Rate	New Rate
Indigent criminal defense counsel:		
Misdemeanors	$55/hr	$55/hr
Conflict Appearances	$60/hr	$60/hr
Preliminary Hearings	$55/hr	$75/hr
Riot Indictments	$65/hr	$75/hr
Appellate	$65/hr	$75/hr
Criminal Contempt	$65/hr	$75/hr
Felonies	$65/hr	$75/hr
Serious/Life felonies	$80/hr	$90/hr
Capital felonies	$95/hr	$125/hr
Probable Cause hearings	$65/hr	$75/hr
Conservatorships	$65/hr	$75/hr
Juvenile Misdemeanors	$55/hr	$55/hr
Juvenile felonies	$60/hr	$70/hr
Juvenile Serious felonies	$75/hr	$85/hr
Dependency court appointed counsel	$65/hr	$75/hr
Private investigators	$35/hr	$45/hr

Superior Court of California
County of San Francisco

April 5, 2001

San Francisco Board of Supervisors
Finance Committee
City Hall, Room 190
#1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Members of the Finance Committee:

As outlined in the six-month Joint Budget Report, the Court is projecting a significant shortfall of $1.2 million in the indigent defense program budget. Due to the projected shortfall, the Court is requesting a supplemental appropriation to cover the remaining estimated expenses. Under State statute, these expenses are a required cost of the City and County.

The Court makes every effort to accurately estimate its budgetary need for conflicts counsel. In recent years, before the Public Defender pulled his staff from Department 11 and conflicted out on all cases heard in that department in March of 1998, the Court has not requested a supplemental appropriation request for conflicts counsel. Since that time, the Court has struggled to catch up with the defense counsel bills submitted to cover those indigent defense cases. In the absence of Department 11, the Court would not have been forced to ask for last fiscal year's supplemental appropriation, nor would it be before you this year with a request of this magnitude.

Nevertheless, the projected shortfall is due to the following issues, for which the Court could not predict when it developed its budget estimate last year:

- The Court was forced to carry forward approximately $550,000 in bills left over from Fiscal Year 1999-2000, because of insufficient appropriations, which the Court did not anticipate in its original budget request. These left over bills are a residual from the Department 11 issue, in which the Public Defender conflicted out on all cases assigned in Department 11.
- The cost per case of preliminary hearings, regular felonies and life felony cases increased unexpectedly (approximately $300,000 additional cost). Given historical trends, and not including the rate increase budgeted for FY2000-01, the Court had not predicted a change in the cost per case. In life felony cases, the Court received a large number of bills from difficult high cost cases first assigned three years ago and that have just recently been completed. These high cost life felony cases account for approximately $100,000 of the

unexpected costs. The Court believes that these cost increases are anomalies and does not expect costs per case to rise unexpectedly in the future.

- The cost of juvenile delinquency cases assigned to and billed by the conflicts panel has risen sharply. The Court projects, by year end, an increased cost of $150,000 over original budget estimates. The Court believes that the increased cost is due to a significant increase in "707 B" petitions submitted by the District Attorney to charge juveniles for crimes as adults.
- Expert witness and Psychiatrist costs have increased substantially and are projected to be $200,000 more than originally estimated. The trend in expert witness and psychiatrist costs is due to the increased number of "707 B" petitions in juvenile delinquency cases, as well as use of DNA as evidence.

Because they are separate County agencies and separately elected public officials, the Court cannot control the policy decisions made by the District Attorney or the Public Defender. That responsibility lies with the Mayor's Office. The Court makes every attempt to accurately estimate indigent defense counsel costs based on historical spending rates. As a result, the Court is unable to anticipate and budget for changes in staffing or assignment of criminal cases or arraignment policies in the District Attorney's Office and the Public Defender's Office.

We wish to further point out that the Court administers the payment of these bills on behalf of the City and County, even though it is no longer obligated to provide such administration. The Court employs approximately 3.0 State Trial Court funded staff FTE to process, track, and monitor the payment of indigent defense counsel bills. As you know, State law requires the Counties to provide for indigent defense counsel. While the Court believes that a Second Public Defender would result in lower quality defense counsel services than provided by the existing system, the Court recognizes that the City and County does have the prerogative to decide how these mandated services are provided. The City and County could assume administration of this mandated service, at its own cost, and make whatever changes are necessary to improve the coordination of indigent defense counsel services.

Sincerely,

Ronald Evans Quidachay
Presiding Judge

Gordon Park-Li
Chief Executive Officer

cc.: Ed Harrington, Controller
Steve Kawa, Mayor's Director of Finance
Harvey Rose, Budget Analyst, Board of Supervisors
Neal Taniguchi
Carol Woods, Bar Association of San Francisco

City and County of San Francisco
Meeting Minutes
Finance Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

Wednesday, April 18, 2001 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 10:08 a.m.

010466 **[Appropriation, funding for the increase of expenditures on the Indigent Defense Program]**

Ordinance appropriating $1,200,000 from the General Fund Reserve for the projected shortfall in the Indigent Defense Program at the Trial Court for fiscal year 2000-01; providing for ratification of action previously taken. (Controller)

(Fiscal impact.)

3/12/01, RECEIVED AND ASSIGNED to Finance Committee.

4/11/01, CONTINUED. Heard in Committee. Speakers: Gordon Park-Li, Chief Executive Officer, Superior Court; Male Speaker. Continued to April 18, 2001.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Neil Tanaguchi, Superior Court; Edward Harrington, Controller; Stephen Kaus, Chair, Bar Association of San Francisco.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010454 **[Health Service System]**

Supervisors Leno, Daly

Ordinance amending Chapter 16, Article XV, of Part I of the San Francisco Municipal Code (Administrative Code) by amending Section 16.703 regarding Board approval of Health Service System Plans and Contribution Rates.

(Fiscal impact.)

(Pursuant to Charter Section A8.423, this matter requires nine votes for passage.)

3/12/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Yvonne Hudson, Deputy Director, Health Service System; Michael Kramer, Actuary, Towers Perrin; Edward Harrington, Controller; Tim O'Brien, President, Retired Employees of City and County of San Francisco; Larry Brinkin, Human Rights Commission; Marcus Arana; Commissioner Theresa Sparks, Human Rights Commission; James Green; Claire Skiffington, Department of Public Health; Sergeant Stephan Thorne, Police Department; Lisa Middleton; Jordy Jones.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010108 [Fund the development and implementation of Reengineering Plan for the Assessor's Office Efficiency Program]

Ordinance appropriating $726,726 of the General Reserve to fund the implementation of Reengineering Plan, for the Assessor's Office for fiscal year 2000-01. (Assessor-Recorder)

(Supervisor Leno dissenting in Committee.)

1/17/01, CONTINUED TO CALL OF THE CHAIR. Divided from File 002087.

1/17/01, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Finance Committee. New committee structure.

2/21/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Doris Ward, Assessor-Recorder; Debbie Liu, KPMG Consulting; Jim Janette, Assistant Assessor; Rubin Goodman.

4/4/01, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Tommie Whitlow, Assessor's Office; Greg Diaz, Chief Deputy Assessor-Recorder; Edward Harrington, Controller; Bob O'Neill, Project Director for Assessor's Project, KPMG Consulting; Steve Kawa, Mayor's Office; John Bardis; John Farrell, Assessor's Office.
Continued to April 18, 2001.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Edward Harrington, Controller; Doris Ward, Assessor-Recorder; John Bardis; Robert O'Neill, Managing Director, KPMG Consulting, Theodore Lakey, Deputy City Attorney.

TABLED by the following vote:

Ayes: 2 - Peskin, Gonzalez
Noes: 1 - Leno

010471 [Appropriation, funding the Octavia Boulevard Construction Project]

Supervisor Leno

Ordinance appropriating $352,000 of lease revenues from former Central Freeway right-of-way parcels currently used as parking lots to fund design, construction, development and maintenance of road improvements on Octavia Boulevard by Public Works in fiscal year 2000-01. (Controller)

(Fiscal impact.)

3/14/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Richard Hillis, Department of Public Works. Amended on lines 2, 17 and 19 by replacing "$352,000" with "$348,196."

AMENDED.

Ordinance appropriating $348,196 of lease revenues from former Central Freeway right-of-way parcels currently used as parking lots to fund design, construction, development and maintenance of road improvements on Octavia Boulevard by Public Works in fiscal year 2000-01. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010546 [Prevailing Wage]

Resolution fixing the highest general prevailing rate of wages, including wages for overtime and holiday work, for various crafts and kinds of labor as paid for similar work in private employment in the City and County of San Francisco at the rates certified to the Board by the Civil Service Commission on December 4, 2000. (City Attorney)

3/27/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Kate Favetti, Executive Officer, Civil Service Commission; Paul McGrorey, Business Representative, Teamsters Local 665.
Amendment of the Whole prepared in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution fixing the highest general prevailing rate of wages, including wages for overtime and holiday work, for various crafts and kinds of labor as paid for similar work in private employment in the City and County of San Francisco at the rates certified to the Board by the Civil Service Commission on December 4, 2000, as modified by the Garage and Parking Lot Attendant Agreement (December 1, 2000 - November 30, 2003). (City Attorney)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting adjourned at 1:22 p.m.

.25

8/01

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

April 12, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: April 18, 2001 Finance Committee Meeting

Item 1 - File 01-0466

Note: This item was continued by the Finance Committee at its meeting of April 11, 2001.

Department: Superior Court

Item: Ordinance appropriating $1,200,000 from the General Fund Reserve for the projected shortfall in the Indigent Defense Program for Fiscal Year 2000-2001 and providing for ratification of action previously taken.

Amount: $1,200,000

Source of Funds: General Fund Reserve

Description: Ordinarily, the Public Defender's Office provides defense attorneys to indigent individuals who have been charged with a crime. If the Public Defender's Office determines that a conflict of interest would result if the Public Defender were to provide the defense attorney (e.g., multiple defendants), the Superior Court appoints a private defense attorney through the Superior Court's Indigent Defense Program. The Superior Court pays the fees for such private defense attorneys, and related fees at predetermined rates. The subject Indigent Defense Program and the related fees are fully funded by the City's General Fund.

The Trial Courts total FY 2000-2001 operating budget is approximately $71.6 million, including approximately $58 million in State mandated Trial Court Funds, approximately $9.1 million of discretionary City General Fund revenues and approximately $4.5 million of Courthouse Construction Funds. The approximately $58 million of State mandated Trial Court Funds includes $35 million of State revenues and $23 million of City General Fund revenues, that are mandated by the State to obtain State Trial Court Agency funding. The approximately $9.1 million of discretionary City General Fund revenues includes $6,546,000 which is currently budgeted for the subject Indigent Defense Counsel Program.

The proposed ordinance would appropriate $1,200,000 of General Fund revenues for increased Indigent Defense Program costs, which, according to Mr. Neal Taniguchi of the Superior Court are due to (a) a carryforward of approximately $550,000 of expenses from FY 1999-2000, (b) approximately $300,000 for increased case costs for preliminary hearings, serious felonies and life felonies, (c) an increase of approximately $150,000 for juvenile delinquency cases and (d) an increase of approximately $200,000 for expert witness and psychiatric evaluation expenses.

Carryforward Expenses from FY 1999-2000 ($550,000)

According to Mr. Taniguchi, the Court carried forward approximately $550,000 of indigent defense counsel bills from FY 1999-2000 into FY 2000-01 because the Court did not have sufficient funds remaining in their FY 1999-2000 appropriations to pay these additional, unanticipated bills. Mr. Taniguchi advises that these additional billings resulted because the Public Defender's Office did not provide attorneys in one of the four courtrooms (Department 11) that held arraignment hearings from March of 1998 through October 1, 1999, due to insufficient staffing in the Public Defender's Office. As a result, all of the counsel assigned for indigent defense cases in one arraignment courtroom were private indigent defense counsel during this approximately 19-month period. The Public Defender's Office was able to hire nine additional staff in order to provide attorneys for indigent individuals for all the arraignment courtrooms by October 1, 1999.

Mr. Taniguchi advises that there is an actual average lag time of between six and nine months, from the time a case is assigned to private indigent defense counsel by the Court to the time that the Court actually receives the bills from the private indigent defense counsel for reimbursement for the private attorney and related expenses. Mr. Taniguchi reports that the Court had previously estimated the time lag for the private attorneys to submit their bills was approximately three months. Therefore, according to Mr. Taniguchi, the Court assumed that the private indigent defense counsel costs resulting from the Public Defender's Office staffing shortages in FY 1998 and 1999 were already fully accounted for when the Court prepared their FY 2000-2001 budget request. However, Mr. Taniguchi advises that during the last few months of FY 1999-2000, approximately $550,000 of unexpected private attorney bills were received, for which sufficient funds had not been previously budgeted, and therefore, such bills are still owed in FY 2000-2001.

Increased Case Costs for Preliminary Hearings, Serious Felonies and Life Felonies ($300,000)

In addition, the proposed request includes approximately $300,000 for increased case costs for preliminary hearings, as well as the serious and life felonies. Mr. Taniguchi advises that all cases generally proceed through a preliminary hearing phase, where the Court determines what the charges will be against the defendant. As contained in Attachment I, provided by Mr. Taniguchi, and shown in the summary table below, the number of serious felonies and life felonies are anticipated to increase between FY 1999-2000 and FY 2000-2001 by 62 percent and 61 percent, respectively. According to Mr. Taniguchi, several of the cases identified in Attachment I and in the summary table below actually represent individual private attorney billings, and that although each misdemeanor or preliminary hearing case will result in one bill, the serious and life felony cases may result in multiple bills from the private indigent defense counsel.

	FY 1998-99	FY 1999-2000	FY 2000-01	Percent Increase/ (Decrease) FY 1999-2000 to FY 2000-01
Serious Felonies	136	148	240	62%
Life Felonies	45	51	82	61%
Prelim Hearings	2,607	2,185	1,768	(19%)

In addition, the average cost for each life felony case has increased from $6,969 in FY 1999-2000 to $11,788 in FY 2000-2001 and projected at $8,462 for the remainder of FY 2000-2001. Mr. Taniguchi advises that during the first half of FY 2000-01, the Court received several large bills, totaling approximately $100,000, from three life felony cases that were assigned by the Court in 1997 and 1998, inflating the average cost per case more than would be normally expected. Although the number of serious felony cases is projected to increase 62 percent during FY 2000-2001, resulting in most of the unanticipated increase in costs, the average cost for each serious felony case is not projected to increase significantly.

In addition, as shown above, although the number of preliminary hearings has actually declined by 19 percent from FY 1999-2000 to FY 2000-2001, as shown in Attachment I, the average cost for each preliminary hearing case has increased up to a projected 35.5 percent. In FY 1999-2000, the average cost per case was $631 for preliminary hearings, comparable to FY 1998-1999 costs. However, the average cost per case in FY 2000-2001 has thus far been $781 and the projected average cost per case is $855 for the remainder of FY 2000-2001 for preliminary hearings, or 35.5 percent more than the $631 for FY 1999-2000. Mr. Taniguchi advises that he cannot precisely document why the average costs for the preliminary hearings are increasing. However, Mr. Taniguchi believes that the private indigent counsel may be spending more time on average on each case than in the past because (1) less experienced private indigent counsel are being assigned to each case or (2) because the District

Attorney's Office is filing more motions, thus causing private indigent counsel to spend more time on each case.

Juvenile Delinquency Cases ($150,000)

The proposed supplemental appropriation includes an additional approximately $150,000 for Juvenile Delinquency Cases assigned to private indigent defense counsel. As shown in Attachment I, the total number of juvenile delinquency cases has increased from 397 cases in FY 1999-2000, to a total projected caseload of 589 cases (300 cases through December of 2000 plus 289 cases projected for the balance of FY 2000-01), an increase of 192 cases or 48 percent. Mr. Taniguchi advises that the increase in juvenile delinquency costs are likely a result of the threefold increase in the "707B petitions", which are petitions filed by the District Attorney's Office to charge a juvenile as an adult in a crime.

According to Mr. Taniguchi, these 707B petitions are considered by the Court through a lengthy hearing process, in which the District Attorney's Office must prove that the juvenile is fit to be tried as an adult. These hearings often involve background investigations, psychiatric evaluations, testimony from expert witnesses, as well as witnesses to the crime. In addition, Mr. Taniguchi advises that these cases often involve multiple defendants, such that the Court must assign conflicts counsel for one or more of the juvenile defendants. According to Mr. Taniguchi, all of the costs associated with these 707B petitions are considered part of the juvenile delinquency case, thus resulting in increased costs for the private indigent defense counsel for juvenile cases as well as increased costs for expert witnesses and psychiatric evaluations.

Expert Witness and Psychiatric Fees ($200,000)

The proposed supplemental appropriation includes an additional approximately $200,000 for expert witness and psychiatric fees that were not anticipated in the FY 2000-2001 budget for the Court. Mr. Taniguchi advises that the expert witness and psychiatric evaluation costs have increased due to the larger number of juvenile delinquency cases, discussed above, as well as the

increased use of DNA as evidence in the courtroom. According to Mr. Taniguchi, the increased use of DNA as evidence now requires the indigent defense counsel to hire more expert witnesses to testify in Court.

Comments:

1. According to Mr. Taniguchi, to date, the Court has not fully expended its total budgeted appropriation of $6,546,000 for the Indigent Defense Program. However, the proposed supplemental appropriation provides for retroactive approval of the requested supplemental appropriation of funds because approximately $550,000 of the requested $1,200,000 was incurred during the previous fiscal year.

2. The Budget Analyst notes that hourly rate increases of between 0 and 36.4 percent (increase from $55 to $75 per hour for preliminary hearings) were approved for the private indigent defense counsel, for all cases assigned by the Court after July 1, 2000. The previous and new hourly rates are shown in Attachment II, provided by Mr. Taniguchi. Mr. Taniguchi advises that the Court factored these hourly rate increases into the original FY 2000-01 budget.

3. In FY 1999-2000, the Superior Court received an initial appropriation of $5,900,000 for indigent defense attorneys, juvenile attorney fees, private investigator fees, witness fees and other related expenses. In March of 2000, the Superior Court received a supplemental appropriation of $508,000 due to additional costs for indigent defense counsel based on an increased caseload, for a total FY 1999-2000 appropriation of $6,408,000 for such expenses. In FY 2000-2001, the Board of Supervisors appropriated $6,546,000, an increase of $138,000, or 2.2 percent over the revised appropriation for FY 1999-2000. If the proposed $1,200,000 supplemental appropriation is approved, the Superior Court would receive a total appropriation of $7,746,000, an increase of $1,338,000 or 21 percent more than was appropriated in FY 1999-2000.

As shown in the summary table below, the total projected actual expenditures for FY 2000-2001 of $7,757,712 will exceed the total budgeted amount of $6,546,000 by an estimated $1,211,712.

	Actual Expenditures Through Dec 31, 2000	Projected Expenditures Through June 30, 2001	Projected Actual Costs	Total Total Amount Budgeted	Projected (Deficit)
Private Defense for Adult Cases	$2,988,597	$2,407,303	$5,395,900	$4,349,500	($1,046,400)
Private Defense Attorney for Juvenile Cases	244,379	259,077	503,456	430,000	(73,456)
Private Defense Attorneys for Conservators Cases	10,557	11,799	22,356	30,000	7,644
Private Investigators	567,563	435,437	1,003,000	1,122,500	119,500
Expert Witnesses	262,950	226,050	489,000	390,000	(99,000)
Psychiatric Evaluations	175,013	158,987	334,000	212,000	(122,000)
Civil Grand Jury Fees	5,000	5,000	10,000	12,000	2,000
Total	$4,254,059	$3,503,653	$7,757,712	$6,546,000	($1,211,712)

Based on the above actual and projected expenditures, the requested supplemental appropriation of $1,200,000 is justified. The Superior Court advises that the additional projected needed costs of $11,712 ($1,211,712 total projected deficit less $1,200,000 subject supplemental appropriation) would be absorbed within the Superior Court's existing FY 2000-2001 budget.

4. The Budget Analyst notes that the proposed General Fund Reserve request of $1,200,000 for the Superior Court was anticipated in the three-year budget projection report prepared by the Controller's Office, the Mayor's Budget Office and the Budget Analyst's Office, in which the projected $66.1 million revenue shortfall for FY 2001-2002 considered this subject $1,200,000 would not be available in surplus to fund the FY 2001-2002 budget.

5. According to Mr. Taniguchi, the Court has a database system that tracks the costs for the indigent defense counsel expenses. In addition, Mr. Taniguchi advises that the Superior Court employs 3.0 FTE staff, funded with State Trial Court revenues, to process, track and monitor the payment of the indigent defense counsel bills. According to Mr. Taniguchi, if a bill is significantly over the average cost for that particular type of cases (i.e., serious felonies, misdemeanors, etc.), the Judge assigned to that case can request that the Bar Association of San Francisco, that oversees the private indigent defense

counsel that are recommended to the Court, audit that particular private counsel's bills for any irregularities.

6. Attachment III, provided by Mr. Taniguchi explains the Court's efforts to accurately estimate indigent defense counsel expenses. As discussed in Attachment III, "the Court cannot control the policy decisions made by the District Attorney or the Public Defender. That responsibility lies with the Mayor's Office. The Court makes every attempt to accurately estimate indigent defense counsel costs based on historical spending rates. As a result, the Court is unable to anticipate and budget for changes in staffing or assignment of criminal cases or arraignment policies in the District Attorney's Office and the Public Defender's Office."

7. During the FY 2000-2001 budget deliberations, a preliminary analysis conducted by the Budget Analyst indicated that the private court appointed counsel cases, assigned under the Indigent Defense Program, had a higher than average cost per case as compared with the Public Defender's Office for comparable cases. If that is proven to be true after further detailed analysis, the City could potentially save on its total indigent defense costs through creation of a second Public Defender's Office. Based on this factor, combined with the significant increase in private attorney costs that are reflected in the subject request for this $1,200,000 supplemental appropriation, the Budget Analyst continues to recommend that the City conduct an analysis of the comparative costs of creating a second Public Defender's Office in lieu of using private counsel for all conflict of interest cases. Such second Public Defender's Offices have been established in other counties in California, such as San Diego and Contra Costa Counties.

Mr. Taniguchi advises that to date, no analysis of a second Public Defender's Office has been conducted. Attachment III states that "While the Court believes that a Second Public Defender would result in lower quality defense counsel services than provided by the existing (private indigent defense counsel) system, the Court recognizes that the City and County does have the prerogative to decide how these mandated services are provided. The City and County could assume administration of this mandated service, at its own cost,

and make whatever changes are necessary to improve the coordination of indigent defense counsel services."

Ms. Kimiko Burton of the Public Defender's Office reports that she is not supportive of a second Public Defender's Office because she believes the current system of using private indigent defense counsel provides the best representation for conflict cases in San Francisco. In addition, Ms. Burton advises that the creation of an alternate Public Defender's Office would not be less expensive than providing private indigent defense counsel and would not completely alleviate the need for private conflicts counsel.

Recommendations:

1. Approve the proposed supplemental appropriation.

2. We recommend that the Board of Supervisors consider retention of an independent outside expert to analyze the costs and benefits of establishing a second Public Defender Office in lieu of continuing to rely on the use of outside private counsel.

MAR 22 '01 01:40PM

Case Analysis method / Case Type	98-99 No of Cases	98-99 %	98-99 Avg Cost/ Person		99-00 No of Cases	99-00 %	99-00 Avg Cost/ Person		Through December FY2000-01 No of Cases	%	NewAvg Cost Person	Expenditures To-Date	Estimated Remaining Cases	Projected Avg cost/ Case	Est Cost Rem Cases	total est Cost
Juvenile				[redacted]				[redacted]								
Misdemeanor Delinquency	21	7%	$ 412		15	4%	528		17		444	7,548	13	444	5,772	13,320
Reg Delinquency	249	79%	$ 736		341	86%	809		235		749	176,015	235	838	196,930	372,945
Serious Delinquency	46	15%	$ 2,340		41	10%	2,519		48		1,267	60,816	41	1,375	56,375	117,191
Total	316	100%			397	100%	975		300			244,379	289		259,077	503,456
Conservatorships	37		$ 643		144		292		23		459	10,557	23	513	11,799	22,358
Regular Felony	1,450	28.87%	$ 629		1,761	35%	680		1,092		728	794,976	668	676	451,568	1,246,544
Serious Felony	135	2.69%	$ 6,194		148	3%	5,820		135		5,701	769,635	105	6,093	639,765	1,409,400
Life Felony	45	0.90%	$ 8,565		51	1%	6,969		32		11,788	377,216	50	8,462	423,100	800,318
Misdemeanor	611	12.16%	$ 574		460	9%	618		320		530	169,600	320	554	177,280	346,880
Prelim Hearing Reg fel	2,607	51.90%	$ 630		2,186	43%	631		1,024		781	799,744	744	855	636,120	1,435,864
Prelim Hearing Ser/life fel											5,701	-	-		-	-
Probable Cause	146	2.91%	$ 628		69	1%	1,109		93		780	72,540	90	820	73,800	146,340
Other	29	0.58%	$ 246		8	0%	303		7		698	4,886	7	810.00	5,670	10,556
TOTALS	5,023	100%	17,466		4,680	93%			2,703			2,988,597	1,984		2,407,303	5,395,900
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												4,249,059				7,747,712
Appropriation																6,546,000
Estimated Shortfall																(1,201,712)

Superior Court of California
County of San Francisco

ALFRED G. CHIANTELLI
PRESIDING JUDGE

400 MCALLISTER STREET, SAN FRANCISCO, CA 94102-4514, (415) 551-5715

July 10, 2000

Ms. Carol Woods, Director
Lawyers Referral Service
The Bar Association of San Francisco
465 California Street, Suite 1100
San Francisco, CA 94104-1826

Dear Ms. Woods:

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Preliminary Hearings	$55/hr	$75/hr
Riot Indictments	$65/hr	$75/hr
Appellate	$65/hr	$75/hr
Criminal Contempt	$65/hr	$75/hr
Felonies	$65/hr	$75/hr
Serious/Life felonies	$80/hr	$90/hr
Capital felonies	$95/hr	$125/hr
Probable Cause hearings	$65/hr	$75/hr
Conservatorships	$65/hr	$75/hr
Juvenile Misdemeanors	$55/hr	$55/hr
Juvenile felonies	$60/hr	$70/hr
Juvenile Serious felonies	$75/hr	$85/hr
Dependency court appointed counsel	$65/hr	$75/hr
Private investigators	$35/hr	$45/hr

Superior Court of California
County of San Francisco

April 5, 2001

San Francisco Board of Supervisors
Finance Committee
City Hall, Room 190
#1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Members of the Finance Committee:

As outlined in the six-month Joint Budget Report, the Court is projecting a significant shortfall of $1.2 million in the indigent defense program budget. Due to the projected shortfall, the Court is requesting a supplemental appropriation to cover the remaining estimated expenses. Under State statute, these expenses are a required cost of the City and County.

The Court makes every effort to accurately estimate its budgetary need for conflicts counsel. In recent years, before the Public Defender pulled his staff from Department 11 and conflicted out on all cases heard in that department in March of 1998, the Court has not requested a supplemental appropriation request for conflicts counsel. Since that time, the Court has struggled to catch up with the defense counsel bills submitted to cover those indigent defense cases. In the absence of Department 11, the Court would not have been forced to ask for last fiscal year's supplemental appropriation, nor would it be before you this year with a request of this magnitude.

Nevertheless, the projected shortfall is due to the following issues, for which the Court could not predict when it developed its budget estimate last year:

- The Court was forced to carry forward approximately $550,000 in bills left over from Fiscal Year 1999-2000, because of insufficient appropriations, which the Court did not anticipate in its original budget request. These left over bills are a residual from the Department 11 issue, in which the Public Defender conflicted out on all cases assigned in Department 11.
- The cost per case of preliminary hearings, regular felonies and life felony cases increased unexpectedly (approximately $300,000 additional cost). Given historical trends, and not including the rate increase budgeted for FY2000-01, the Court had not predicted a change in the cost per case. In life felony cases, the Court received a large number of bills from difficult high cost cases first assigned three years ago and that have just recently been completed. These high cost life felony cases account for approximately $100,000 of the

unexpected costs. The Court believes that these cost increases are anomalies and does not expect costs per case to rise unexpectedly in the future.

- The cost of juvenile delinquency cases assigned to and billed by the conflicts panel has risen sharply. The Court projects, by year end, an increased cost of $150,000 over original budget estimates. The Court believes that the increased cost is due to a significant increase in "707 B"petitions submitted by the District Attorney to charge juveniles for crimes as adults.

- Expert witness and Psychiatrist costs have increased substantially and are projected to be $200,000 more than originally estimated. The trend in expert witness and psychiatrist costs is due to the increased number of "707 B" petitions in juvenile delinquency cases, as well as use of DNA as evidence.

Because they are separate County agencies and separately elected public officials, the Court cannot control the policy decisions made by the District Attorney or the Public Defender. That responsibility lies with the Mayor's Office. The Court makes every attempt to accurately estimate indigent defense counsel costs based on historical spending rates. As a result, the Court is unable to anticipate and budget for changes in staffing or assignment of criminal cases or arraignment policies in the District Attorney's Office and the Public Defender's Office.

We wish to further point out that the Court administers the payment of these bills on behalf of the City and County, even though it is no longer obligated to provide such administration. The Court employs approximately 3.0 State Trial Court funded staff FTE to process, track, and monitor the payment of indigent defense counsel bills. As you know, State law requires the Counties to provide for indigent defense counsel. While the Court believes that a Second Public Defender would result in lower quality defense counsel services than provided by the existing system, the Court recognizes that the City and County does have the prerogative to decide how these mandated services are provided. The City and County could assume administration of this mandated service, at its own cost, and make whatever changes are necessary to improve the coordination of indigent defense counsel services.

Sincerely,

Ronald Evans Quidachay
Presiding Judge

Gordon Park-Li
Chief Executive Officer

cc.: Ed Harrington, Controller
Steve Kawa, Mayor's Director of Finance
Harvey Rose, Budget Analyst, Board of Supervisors
Neal Taniguchi
Carol Woods, Bar Association of San Francisco

Item 2 – File 01-0454

1. The proposed ordinance would amend Section 16.703 of the Administrative Code to approve the City's FY 2001-2002 Health Service System plans and rates of contribution, as adopted by the Health Service Board, to be paid by the members of the System. The members of the System include employees and members of Boards and Commissions, retirees, and the spouses, domestic partners, dependents, and surviving spouses of these groups for the City and County of San Francisco, Community College District, and San Francisco Unified School District.

HEALTH PLANS

2. The Board of Supervisors previously adopted a resolution (File 01-0221) setting the City's contribution to the Health Service Fund for FY 2001-2002 at $213.93 per month for each member. The City's contribution was established in accordance with Charter Sections A8.423 and A8.428, which set the average contribution rate based on a survey of the 10 most populous counties in California (excluding San Francisco). The City's contribution of $213.93 per month ($2,567.16 annually) represents an increase of $21.70 per month, or approximately 11.3 percent, from the FY 2000-2001 rate of $192.23 per month ($2,306.76 annually).

3. Once the City's contribution is established, member contributions are calculated by the Health Service System actuary, Towers Perrin, Consulting Actuaries, in order to ensure that contributions from all sources will be adequate to support anticipated claims for the upcoming fiscal year. This report is based on data provided by Towers Perrin in a March 8, 2001 letter to the Board of Supervisors. The proposed ordinance would establish member contribution rates for FY 2001-2002 in accordance with Charter Sections A8.421 and A8.422. Charter Sections A8.421 and A8.422 require approval by three-fourths of the members of the Board of Supervisors after the Board has secured an actuarial report of the costs and effects of any proposed change in the benefits of the Health Service System or rates of contribution. Contribution rates vary depending upon: (1) the member's status (active employee, retiree, etc.); (2) whether or not that individual has Medicare coverage; and (3) which of the City's health plans the member elects to join. The actuarial report and details of the member contribution rates are contained in the file of the Clerk of the Board.

4. Ms. Yvonne Hudson of the Health Service System advises that as of March 31, 2001, 37,627 active employees, including San Francisco Unified School District and the Community College District employees, were covered by the System, with an additional 1,345 who chose not to be covered but who may request coverage in the future. Ms. Hudson advises that the System covers 14,936 retirees and that an additional 872 are eligible to request coverage.

The City Health Plan (which is administered by the City's Health Service System) and Kaiser Foundation Health Plan, Heath Net, and Blue Shield (all HMOs) will be offered in FY 2001-2002. Based on a competitive bid request by the Health Service System, Blue Shield will replace PacifiCare, which was offered in FY 2000-2001. However, Blue Shield will not offer coverage to retirees. The Health Service Board attempted unsuccessfully to contract with PacifiCare for retirees' coverage. As a result, retirees' plan choices will be limited to the City Health Plan, Health Net, and Kaiser.

5. Changes to the City Health Plan benefits in FY 2001-2002 include:

- Coverage for infertility treatment was added, subject to a 50% coinsurance percentage,
- Coverage for hearing aids was added, subject to a $1,000 maximum benefit during any three-year period,
- The $50 annual pharmacy deductible was eliminated
- Coverage was added for erectile dysfunction,
- Coverage for immunizations was increased to 100% for in-network and out-of-area providers, and
- Transgender benefits were added, subject to a $50,000 maximum surgical benefit. The surgical benefit requires one year of Health Service System membership. (See Comment No. 3 for more details.)

6. The following changes were made in benefits for FY 2001-2002 HMO members:

- Coverage for acupuncture was added,
- Coverage for prosthetics and durable medical equipment was increased to 100%
- Coverage for infertility treatment was added,
- Coverage for hearing aids was added, and
- Transgender benefits were added, subject to a $50,000 maximum surgical benefit. The surgical benefit requires one year of Health Service System membership. (See Comment No. 3 for more details.)

7. A comparison of the FY 2000-2001 monthly rates to be paid by active City employees with the proposed FY 2001-2002 rates adopted by the Health Service Board is shown in Table 1 on the following page.

Table 1
Monthly Health Plan Rates to be Paid by Active City Employees
FY 2000-2001 and FY 2001-2002

	2000-2001 Monthly Rates	2001-2002 Monthly Rates	Monthly Increase/ (Decrease)	Percentage Increase (Decrease)
City Health Plan				
Single Employee	$110.81	$104.86	($5.95)	(5.4%)
Employee plus one dependent	322.13	328.71	6.58	2.0%
Employee plus two dependents	546.06	559.46	13.40	2.5%
Kaiser				
Single Employee	0.00	0.00	0.00	--
Employee plus one dependent	190.34	203.25	12.91	6.8%
Employee plus two dependents	348.32	371.95	23.63	6.8%
Health Net				
Single Employee	0.00	3.27	3.27	--
Employee plus one dependent	185.33	219.51	34.18	18.4%
Employee plus two dependents	339.68	399.66	59.98	17.7%
Blue Shield				
Single Employee	--	5.17	--	--
Employee plus one dependent	--	223.28	--	--
Employee plus two dependents	--	404.24	--	--

See Comment No. 1 for discussion of the potential impact of MOUs on employees' contributions.

8. A comparison of the FY 2000-2001 monthly rates paid by retired City employees who are enrolled in the Health Service System with the proposed FY 2001-2002 rates adopted by the Health Service Board is shown as Table 2 on the following page. The significant decrease in the FY 2001-2002 rates to be paid by retirees, as compared with the FY 2000-2001 rates, is due to Proposition E, approved by the voters in November 2000. Proposition E reduced by one-half the contribution that a retiree and his or her first dependent would have otherwise been required to pay for his or her Health Service System premium. Proposition E does not apply to dental coverage rates for retirees. Proposition E takes effect on July 1, 2001. See Comment No. 2 for data on the fiscal impact of Proposition E.

Table 2
Monthly Health Plan Rates to be Paid by Retired City Employees
FY 2000-2001 and FY 2001-2002

Note: Blue Shield does not offer coverage for retirees. The Health Service Board attempted to contract with PacifiCare (Secure Horizons) for such coverage. However, due to financial difficulties, PacifiCare declined to continue to its contract with the City. Therefore, retirees' health plan choices will be limited to City Health Plan, Health Net, and Kaiser.

	2000-2001 Monthly Rates	2001-2002 Monthly Rates	Monthly Increase/ (Decrease)	Percentage Increase (Decrease)
City Health Plan				
Single Subscriber (w/o Medicare)	$110.81	$52.43	($58.38)	(52.7%)
Subscriber plus one dependent (both w/o Medicare)	322.13	164.36	(157.77)	(49.0%)
Single Subscriber (w/ Medicare)	65.31	27.43	(37.88)	(58.0%)
Subscriber plus one dependent (both w/ Medicare)	249.90	127.31	(122.59)	(49.1%)
Kaiser Foundation Health Plan				
Single Subscriber (w/o Medicare)	$0.00	$0.00	$0.00	--
Subscriber plus one dependent (both w/o Medicare)	190.34	101.63	(88.71)	(46.6%)
Single Subscriber (w/ Medicare)	0.00	0.00	0.00	--
Subscriber plus one dependent (both w/ Medicare)	60.11	52.74	(7.37)	(12.3%)
Health Net				
Single Subscriber (w/o Medicare)	$0.00	$1.63	$1.63	--
Subscriber plus one dependent (both w/o Medicare)	185.33	109.76	(75.57)	(40.1%)
Single Subscriber (w/ Medicare)	0.00	0.00	0.00	--
Subscriber plus one dependent (both w/ Medicare)	111.25	94.64	(16.61)	(14.9%)
PacifiCare				
Single Subscriber (w/o Medicare)	$0.00	--	--	--
Subscriber plus one dependent (both w/o Medicare)	180.63	--	--	--
Single Subscriber (w/ Medicare)	0.00	--	--	--
Subscriber plus one dependent (both w/ Medicare)	107.98	--	--	--

9. As shown in Table 2, retirees will pay significantly less for health care coverage in FY 2001-2002 compared with FY 2000-2001 due to Proposition E as

discussed above. However, there will be significant increases in the full monthly cost for retirees with Medicare coverage under the HMOs. The increase in the full monthly cost (employer and retiree contributions combined), before taking into account the cost of benefit improvements in FY 2001-2002, is 65.3% for a retiree with Medicare and 65.6% for a retiree and spouse with Medicare under the Health Net plan. Under Kaiser, coverage for a retiree with Medicare increases 60.4% and for a retiree and spouse with Medicare increases 60.9%.

These increases are primarily due to the change in the formula by which HMOs are reimbursed for Medicare members by the Federal Health Care Financing Administration (HCFA). In the past, HCFA reimbursement enabled the HMOs to provide health care to Medicare retirees at reasonable cost; however, the Federal Balanced Budget Act of 1997 changed the formula used to calculate the HMOs' reimbursements. The result was that HCFA reimbursements are no longer keeping pace with the cost of health care, and the HMOs are having to make up the shortfall by increasing premiums.

Vision Plan Benefits

10. Members enrolled in any of the medical plans offered by the Health Service System also receive vision benefits. All Kaiser members and all retirees enrolled in Medicare HMOs receive vision benefits from the HMOs. All other medical plan enrollees receive vision benefits insured by Vision Service Plan (VSP). Vision plan enrollment is combined with medical plan enrollment, and the cost of the vision benefit is included in the cost of the medical plan.

The following changes were made in the benefits offered by VSP:

• Coverage for eye examinations was improved so that an eye exam will be covered every 12 months (rather than the current provision of every 24 months), and

• Coverage for replacement lenses was improved so that lenses will be covered every 12 months when a qualifying change in prescription has occurred (rather than the current provision of every 24 months)

Dental Plan Benefits

11. The Health Service System will continue to offer three dental plans to members: an indemnity plan administered by Delta Dental and two prepaid plans, PMI and Pacific Union. The City pays the full cost of Dental benefits for active employees. Currently, the Health Service System offers dental coverage to Community College and San Francisco Unified School District (SFUSD) employees. However, such employees must pay the full cost of their coverage. Further, Ms. Hudson advises that beginning July 1, 2001, the Health Service System will no longer offer dental coverage to the Community College and San Francisco Unified School District because these employees are offered dental coverage through their respective employers.

According to Ms. Hudson, as of March 31, 2001, 27,877 active employees were enrolled in City dental plans. This figure includes Community College and SFUSD employees who pay for their own coverage through the Health Service System. Ms. Hudson advises that 6,027 retirees were enrolled in dental plans as of March 31, 2001.

12. The Delta Dental plan for active employees is self-insured and Towers Perrin's (actuaries) evaluation of claim experience under the indemnity dental plan for active employees recommended no change in the rates which the City uses to determine the cost of the plan. Delta requested no change in rates for the insured plan for retirees. PMI requested no change in active employees' rates and a 26.7% increase in retiree rates before benefit enhancements are taken into account. Table 4 shows a 105.2% increase to be paid by retired City employees after benefit enhancements are taken into account under the PMI plan. Pacific Union requested a 16% increase in rates for both active employees and retirees. No changes were made in dental benefits for active employees under any of the dental plans.

13. While retirees may choose from the same three dental plans, the benefits and rates differ from those for active employees. The following changes in dental benefits for retirees will take effect July 1, 2001:

• The Delta plan for retirees was changed to increase coverage of in-network diagnostic and preventive services to 100%, and

• The PMI retiree dental plan was changed so that all benefits will be identical to those offered to active employees. Such changes include the following:

- Eliminating copayments of up to $70 for extractions
- Eliminating $85 copayment for crowns (additional charge for gold remains as do other limitations)
- Eliminating $100 to $115 copayment for dentures once every 5 years

- Eliminating $45 (for one), $90 (for two), and $135 (for three or four) charges for root canals.

14. A comparison of the FY 2000-2001 and FY 2001-2002 monthly premium rate schedules for employer contributions of the three dental plans shown in Table 3.

Table 3

Monthly Dental Plan Rates to be Paid by the City for Active City Employees, FY 2000-2001 and FY 2001-2002

	2000-2001 Monthly Rates	2001-2002 Monthly Rates	Monthly Increase/ (Decrease)	Percentage Increase (Decrease)
Delta Dental				
Single Employee	$55.26	$55.26	$0.00	0.0%
Employee plus one dependent	90.80	90.80	0.00	0.0%
Employee plus two dependents	136.51	136.51	0.00	0.0%
Delta Dental (Transit Workers Only)				
Single Employee	52.13	52.13	$0.00	0.0%
Employee plus one dependent	85.67	85.67	0.00	0.0%
Employee plus two dependents	128.79	128.79	0.00	0.0%
PMI DeltaCare Dental Plan				
Single Employee	22.17	22.17	$0.00	0.0%
Employee plus one dependent	36.58	36.58	0.00	0.0%
Employee plus two dependents	54.09	54.09	0.00	0.0%
Pacific Union Dental Plan				
Single Employee	22.16	$25.71	$3.55	16.0%
Employee plus one dependent	36.59	42.44	5.85	16.0%
Employee plus two dependents	54.10	62.76	8.66	16.0%

15. A comparison of the monthly premium rates to be paid by retired City employees for the FY 2000-2001 and FY 2001-2002 dental plans is shown in Table 4 on the following page.

Table 4
Dental Plan Monthly Premium Rates to be Paid by Retired City Employees
FY 2000-2001 and FY 2001-2002

	2000-2001 Monthly Rates	2001-2002 Monthly Rates	Monthly Increase/ (Decrease)	Percentage Increase (Decrease)
Delta Dental				
Single Employee	$33.11	$33.76	$0.65	2.0%
Employee plus one dependent	66.22	67.60	1.38	2.1%
Employee plus two dependents	99.33	102.11	2.78	2.8%
PMI DeltaCare Dental Plan				
Single Employee	$13.69	$28.09	$14.40	105.2%
Employee plus one dependent	22.59	46.35	23.76	105.2%
Employee plus two dependents	33.41	68.55	35.14	105.2%
Pacific Union Dental Plan				
Single Employee	$13.14	$15.24	$2.10	16.0%
Employee plus one dependent	21.69	25.16	3.47	16.0%
Employee plus two dependents	32.07	37.20	5.13	16.0%

Comments:

1. Many of the City's MOUs include provisions whereby the City pays a portion of the employee's cost for the health plans. Such payments by the City are not reflected in the data shown in the tables of this report. The majority of City workers are covered by MOUs which provide in FY 2000-2001 that the full employee premium for single employees is paid by the City and up to $225 of the employee monthly premium for an employee with dependents is paid by the City. Ms. Emily Prescott of the Employee Relations Division advises that proposals under consideration for a number of the MOUs could increase the $225 monthly cost. Mr. Kramer of Towers Perrin advises that the new monthly cost would be $278.96. This is an amount calculated based on a formula that considers the cost of the premiums the City pays for the Kaiser Health Plan.

As a result, contrary to the data shown in Table 1, many of the City's MOUs provided that single employees enrolled under the City Health Plan paid nothing in FY 2000-2001 instead of the rate of $110.81 per month and would again pay nothing under the proposed FY 2001-2002 rates instead of the rate of $104.86 per month. Many of the City's MOUs provided that employees with one dependent enrolled under the City Health Plan in FY 2000-2001 paid $97.13 per month instead of the $322.13 and would pay $49.75 (based on the proposed $278.96) instead of the $328.71.

According to Ms. Prescott, presently 41 of the City's 45 MOUs are being renegotiated this year. All of these MOUs will be subject to the approval of the Board of Supervisors.

2. Proposition E, approved by the voters in November of 2000, takes effect July 1, 2001 and will reduce by one-half the amount that a retiree and his or her first dependent would otherwise have been required to pay for health coverage. Ms. Pamela Levin of the Controller's Office advises that the City will absorb these costs, resulting in the following estimated increased costs:

City and County of San Francisco:	
• General Fund Departments	$6,600,000
• Municipal Transportation Agency	1,400,000
• Public Utility Departments	500,000
• Airport	300,000
• Other Special Fund Departments	200,000
Subtotal	$9,000,000
• San Francisco Unified School District	$3,000,000
• San Francisco Community College District	500,000
Subtotal	$3,500,000
TOTAL	$12,500,000

Ms. Levin informs that the Controller's Office is currently working with the Health Service System to determine the amount that will be budgeted in FY 2001-2002 for the Proposition E and retiree subsidy costs.

3. Effective July 1, 2001, the City will offer transgender benefits. The Towers Perrin letter notes: HMO members will receive all psychotherapy and hormone therapy benefits from their health plans which have agreed to provide this coverage with no effect on premium rates. All surgical benefits will be self-insured by the Health Service Trust Fund during the first year, and an increment has been added to the rates (reflected in the tables shown above) for all Health Service System members to cover the anticipated cost of these benefits. Mr. Michael Kramer of Towers Perrin advises that the HMOs informed the City that they could not develop such an insured benefit in time for FY 2001-2002. Mr. Kramer notes that this is the reason the Health Service Trust Fund will self-insure the benefits for the first year.

The Towers Perrin letter notes that although the Health Service Board recognized that standards exist for transgender treatment, additional work is required to: (1) finalize the details of benefit design and administration (2) identify and contract with qualified providers (3) monitor ongoing claim experience and (4) enable HMOs to develop insured benefits for the FY 2002-2003 plan. A task force

that includes representatives from the Health Service Board, the Health Service System staff, the Human Rights Commission, the transgender community, the HMOs, Towers Perrin, and Beech Street (a vendor hired by the Health Service System to maintain the provider network and manage claims) will work on these details.

An overview of the transgender benefits follows:

- All treatment must be pre-authorized and must conform to the standards of the Harry Benjamin International Gender Dysphoria Association (HBIGDA).

- Psychotherapy associated with gender identity disorders will be covered under all plans subject to the same requirements as apply to other psychotherapy.

- Hormone therapy associated with gender reassignment will be covered under all plans subject to the same requirements as apply to other hormone therapy.

- Genital reconstruction surgery, including hysterectomy, oophorectomy, and mastectomy, will be covered in cases of gender reassignment, subject to the deductibles and coinsurance provisions that apply to other surgery under City Health Plan, a $50,000 lifetime benefit and a requirement of Health Service System membership for one year prior to the surgery.

- Other surgery in connection with gender reassignment will not be covered. Examples of non-covered surgery include breast augmentation, electrolysis, and tracheal shaving (Adam's Apple reduction).

- Medical complications resulting from transgender surgery will continue to be covered under all health plans.

- Efforts will be made by the vendors to eliminate discrimination in access of transgendered individuals to other medically necessary treatment

4. The following changes were made in mental health and chemical dependency benefits for HMOs (where benefits at this level were not already provided by the HMOs) and for City Plan:

- Coverage of outpatient chemical rehabilitation was increased from 30 to 60 visits per year

- Coverage of hospitalization for mental health was increased to 30 days per year.

In addition to these benefit changes, the following administrative changes will take place effective July 1, 2001:

• Administration of all mental health and chemical dependency benefits for HMO members will become the responsibility of the HMOs. Administration had previously been shared between the HMOs and United Behavioral Health. United Behavioral Health is a vendor that the City has been using to maintain the network of providers and coordinate the delivery of care for chemical dependency rehabilitation for members covered under all health plans. Mr. Kramer advises that Towers Perrin recommended to the Health Service Board that the management of all mental health and chemical dependency claims be combined as opposed to continuing to have United Behavioral Health manage the chemical dependency rehabilitation portion while the HMOs manage the mental health and chemical detoxification portion. Mr. Kramer notes that the rationale for this recommendation was that many claims for chemical dependency treatment also include mental health treatment.

• Administration of all mental health and chemical dependency benefits for City Health Plan members will become the responsibility of United Behavioral Health. The administration has been split between United Behavioral Health, which has managed the chemical dependency rehabilitation portion, and Beech Street (another vendor hired by the Health Service System), which has managed the mental health and chemical detoxification portions. As noted above, Towers Perrin recommended this change based on the rationale that many claims for chemical dependency treatment also include mental health treatment.

Towers Perrin notes that these changes are expected to result in more effective delivery of treatment and reduction in costs. These reductions will partially offset the cost of the improvements in benefits listed above.

5. The Towers Perrin report notes several actions intended to minimize the potential for errors in employee communications and in plan administration:

• All vendors were asked to provide their signed acceptance of the rates to be used by the Health Service System. These approvals were obtained and are on file with the Health Service System staff.

• Towers Perrin reviewed the rates to be entered into the Health Service System's Management Information System (MIS). The rates, calculated by the Health Service System staff, are based on the plan costs (previously calculated by Towers Perrin) and member contributions (previously calculated by Health Service system staff based on the Charter and MOUs). The review of the resulting rates was to ensure the accuracy of the data entered into the MIS.

- Towers Perrin also reviewed and approved the contribution tables to be included in the open enrollment communications provided to employees and retirees. The signed approval is on file with the Health Service System.

6. The Towers Perrin letter concludes that the actions taken by the Health Service Board in the areas of benefit design, rating, and reserving are consistent with Towers Perrin's recommendations and conform to a reasonable actuarial standard of plan management. Mr. Kramer advises that "reserving" means the calculation of the amount of money that the Health Service Trust Fund needs to maintain to cover its obligations for claims incurred but not yet paid and for unanticipated fluctuations in claims.

Recommendation:

Approve the proposed ordinance.

Item 3- File 01-0108

Note: This was continued by the Finance Committee at its meeting of April 4, 2001.

Department: Assessor-Recorder's Office

Item: Ordinance appropriating $726,726 from the General Fund Reserve to fund a contract with KPMG to design and implement a reengineering plan for the Assessor-Recorder's Office for Fiscal Year 2000-01

Amount: $726,726

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation for $726,726 is for the purpose of expanding an existing $400,000 contract with KPMG to develop and implement a reengineering plan, and assist in reducing the Department's backlog in the processing of deeds for a total contract cost of $1,126,726, for the Assessor-Recorder's Office for Fiscal Year 2000-01. This reengineering plan analyzes the department's work processes in order to identify changes the department must make to run more effectively. Ms. Onyemem advises that the Assessor-Recorder's Office originally contracted with KPMG, in consultation with the Mayor's and Controller's Offices, in June of 2000 to improve efficiencies in the department. KPMG agreed to identify and re-engineer process inefficiencies, conduct a training needs assessment, provide necessary training, improve customer service and help the department transition into a new computer system. The Assessor-Recorder's Office included $400,000 in its FY 2000-01 budget for this KPMG contract. Ms. Onyemem advises that the Assessor-Recorder's Office negotiated with the Controller's Office to include this $400,000 contract within a larger City contract with KPMG (discussed further in Comment No. 3 below).

According to Ms. Onyemem, in September of 2000, and again in October of 2000, the Assessor-Recorder's Office

requested that KPMG revise and expand the scope of its work plan in the three ways listed below. The Budget Analyst notes that the Assessor-Recorder's Office did have authority to request from KPMG proposals for expanding the scope of the existing $400,000 contract. However, the Assessor-Recorder's Office did not have the authority to finalize the expanded contract discussed below without first obtaining approval from the Board of Supervisors of this subject additional appropriation of $726,726.

As reported to the Finance and Labor Committee on January 17, 2001, this request of $726,726 was for the following three KPMG projects:

(1) After KPMG and the Assessor-Recorder's Office agreed to the terms of the original $400,000 contract, in September of 2000 the Assessor-Recorder's Office directed KPMG to help manage and facilitate the reduction of the department's backlog in processing deeds, a priority for the Assessor-Recorder's Office. The proposed expanded work plan would expand the original contract by $207,926 to reduce the Assessor-Recorder's backlog in processing deeds.

(2) KPMG also agreed to expand the scope of its contract with the Assessor-Recorder's Office at a cost of $172,664 for the expanded scope management plan. This expanded scope focuses on developing a new management strategy and reorganizing the department.

(3) Finally, KPMG was to implement a reengineering plan for the Assessor-Recorder at a cost of $346,136.

These three component costs of (a) $207,926, (b) $172,664 and (c) $346,136 totaled $726,726, the subject of this request and together with KPMG's existing contract of $400,000 to assist the Assessor, the total contract with KPMG would have been $1,126,726.

A summary budget for the total originally proposed contract costs of $1,126,726 with KPMG were as follows:

SUMMARY	
Reengineering Plan	
Original Budget	$400,000
Expanded Scope/Deed Backlog	207,926*
Revised Subtotal	$607,926
Expanded Scope/Management Plan	172,664*
Implementation of Reengineering Plan	346,136*
Total Contract Costs	$1,126,726

*Total of $726,726, which is the subject of this request.

As shown in the table on the following page, the hourly rage being charged by KPMG ranges from $121.28 to $281.14.

Budget for Reengineering Plan: The budget for the originally proposed $1,126,726 contract with KPMG, including the subject $726,726 supplemental appropriation, is as follows:

Contract with KPMG	Hourly Rate	Number of Hours	Total
Reengineering Plan			
Professional Fees			
Managing Director	$281.14	32	8,997
Project Manager	$165.38	418	69,129
Senior Consultants	$148.84	408	60,727
Consultants	$148.84	492	73,229
Analysts	$148.84	504	75,016
Sub-contractor	$121.28	36	4,366
Subtotal Professional Fees		1,890	$291,464
Deed Backlog Completion			
Professional Fees			
Managing Director	$281.14	8	2,249
Project Manager	$165.38	422	69,790
Senior Consultants	$148.84	904	134,551
Analysts	$148.84	144	21,433
Subtotal Professional Fees		1,478	$228,023
Total Professional Fees		3,368	519,487
KPMG's Other Expenses*			88,439
**Subtotal Reengineering/Backlog		3,368	$607,926
Expanded Scope/Management Plan			
Professional Fees			
Managing Director	$281.14	240	$67,474
Project Manager	$165.38	320	52,922
Senior Consultants	$148.84	200	29,768
Subtotal Professional Fees		760	$150,164
KPMG's Other Expenses			22,500
**Subtotal Management Plan		760	$172,664
Estimates for Implementation of Reengineering Plan			
Professional Fees			
Managing Director	$281.14	200	$56,228
Project Manager	$165.38	400	66,152
Senior Consultants	$148.84	400	59,536
Analysts	$148.84	800	119,072
Subtotal Professional Fees		1,800	$300,988
KPMG's Other Expenses			45,148
Subtotal Implementation Estimates		1,800	$346,136
Total KPMG Contract		5,928	$1,126,726
Less $400,000 included in FY 2000-01 Budget			(400,000)
Total Supplemental Appropriation			$726,726

* Other Expenses include mileage, parking, meals and housing.
** Already expended or incurred (See Comment No. 1 below).

Comments on Reengineering Plan:

1. Of this total subject request of $726,726, according to Ms. Onyemem, KPMG has completed its work and incurred expenses for the first two components of this subject request, namely $207,926 for reducing the Assessor's backlog in processing deeds, and $172,664 for the expanded scope management plan. Therefore of this total subject request of $726,726 KPMG has already incurred expenditures of up to approximately $380,590.

2. The Budget Analyst notes that the Assessor's Office has incurred these additional costs of $380,590 without first obtaining prior appropriation approval by the Board of Supervisors. The Assessor-Recorder's Office did not have the authority to finalize an expanded contract with KPMG for such additional expenditures without first obtaining prior appropriation approval by the Board of Supervisors. Therefore, the Budget Analyst recommends that the proposed ordinance be amended to provide for retroactive authorization.

3. According to Ms. Onyemem, the Assessors Office negotiated with the Controller's Office to include the original $400,000 contract with KPMG within a larger City contract with KPMG in order to begin a reengineering of the department's business practices as soon as possible. According to Mr. Hymel of the Controller's Office, additional services being performed by KPMG are being done under the Controller's City-wide audit contract with KPMG. Mr. Hymel advises that this contract, which was competitively bid and approved by the Civil Service Commission in May of 1999, allows the City to contract with KPMG for as needed auditing and accounting services. The contract with KPMG is a three-year contract with two one-year renewal options. Mr. Hymel advises that the original KPMG contractual services for the Assessor-Recorder is limited to $400,000, which was included in the FY 2000-2001 Assessor-Recorder budget and did not include this subject supplemental appropriation request of $726,726 of which KPMG has already incurred expenditures of up to approximately $380,590.

4. At its January 17, 2001 meeting, the Finance and Labor Committee requested that the Assessor-Recorder attempt to reduce the contractual services costs with KPMG and instead complete some of the contract work in-house. In response to this request, at the Finance Committee's February 21, 2001 meeting, the Assessor-Recorder proposed that a portion of the third component of KPMG's work, namely the Implementation of the Reengineering Plan, be accomplished on an in-house basis by staff of the Assessor-Recorder's Office. Having the Assessor-Recorder's Office complete a portion of the implementation plan itself, as opposed to hiring KPMG to complete the work, would reduce KPMG's fees for implementation by $192,592, from $346,136 to $153,544, as follows:

(a) Development of Duties and Responsibilities Documents and Desk Procedures	$100,285
(b) Implementation of Reclassifications for Appraisers and Clerks	39,300
(c) Related expenses	13,959
Total	$153,544

The details of this reduced amount of $153,544 is shown in Attachment I provided by the Assessor-Recorder.

5. In addition, since the Finance Committee meeting of February 21, 2001, the Chair of the Finance Committee met with KPMG officials. As a result of such meetings, as shown in Attachment II, in a memorandum of March 23, 2001 from the Managing Director of KPMG to the Chair of the Finance Committee, the Managing Director of KPMG wrote, "In recognition of our ongoing business relationship with the City and County, and the unique circumstances that KPMG Consulting and the Assessor's Office encountered in this project, we would like to offer a $75,000 reduction in our project cost." This $75,000 reduction would reduce the up to approximately $380,590 in fees owed to KPMG by the Assessor-Recorder's Office

for services already provided (discussed in Comment No.1), for a revised amount of $305,590.

Therefore, the total proposed supplemental appropriation should be reduced by $267,592 ($192,592 plus $75,000), from $726,726 to $459,134 as follows:

Revised KPMG Fees	Amount
Fees owed by Assessor-Recorder's Office for services already provided	$380,590
Reduction in Fees owed to KPMG	(75,000)
Subtotal	305,590
Fees for Implementation of Reengineering Plan	346,136
Reduction in KPMG's Services because of work to be done in-house by Assessor-Recorder instead of contracting with KPMG	(192,592)
Subtotal	$153,544
Total Revised Fees to be Paid to KPMG	**$459,134**

6. At its April 4, 2001 meeting, the Finance Committee requested that KPMG submit to the City an invoice for all services previously completed by KPMG. Attachment III is a letter, dated April 5, 2001, from KPMG to the Chair of the Finance Committee, which summarizes, by month, the total amount of $754,894 billed to the City by KPMG for professional fees and expenses provided for the period from July 1, 2000 through January 26, 2001 ($387,228 in invoices the City had received from KPMG as of October 31, 2000 and $367,666 in additional invoices submitted to the City by KPMG for the period from October 31, 2000 through January 26, 2001). The Budget Analyst notes that at any point after the Assessor-Recorder's Office had already incurred costs totaling the previously approved contract amount of $400,000, approximately in early November of 2000, the Assessor-Recorder's Office could have requested that KPMG cease working until the Board of Supervisors approved the subject supplemental appropriation. However, the Assessor-Recorder's Office did not request that KPMG cease working, because the Assessor-Recorder felt that KPMG's services were needed by the

by the Department. According to the attached letter from KPMG:

(a) As of November 30, 2000, the Assessor-Recorder's Office had already incurred professional fees and expenses for services provided by KPMG totaling \$539,806, which were \$139,806 more than the previously approved contract amount of \$400,000;

(b) As of December 31, 2000, the Assessor-Recorder's Office had already incurred professional fees and expenses for services provided by KPMG totaling \$652,429, which were \$252,429 more than the previously approved contract amount of \$400,000; and,

(c) As of January 26, 2001, the Assessor-Recorder's Office had already incurred professional fees and expenses for services provided by KPMG totaling \$754,894, which were \$354,894 more than the previously approved contract amount of \$400,000.

Recommendations:

1. Reduce the proposed supplemental appropriation by \$267,592 from \$726,726 to \$459,134, in accordance with Comment No. 5 above.

2. Amend the proposed ordinance to provide for retroactive authorization for costs previously incurred, without first obtaining prior appropriation approval from the Board of Supervisors in accordance with Comment No. 2 above.

3. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Attachment

Contract with KPMG	Hourly Rate	Number of Hours	Total
Revised Estimates for Implementation of Reengineering Plan Components			
Professional Fees			
Managing Director	$281.14	22	$6,186
Project Manager	$165.38	344	56,892
Senior Consultants	$148.84	314	46,738
Analysts	$148.84	200	29,769
Subtotal Professional Fees		880	$139,585
KPMG Other Expenses at 10% of Professional Fees			13,959
Total-Implementation Estimates		880	$ 153,544

Source: Assessor-Recorder's Office

KPMG Consulting

400 Capitol Mall, Suite 800
Sacramento, CA 95814

Telephone 916 551 3100
Facsimile 916 551 3030

March 23, 2001

Supervisor Mark Leno
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Supervisor Leno:

I appreciated the opportunity to meet with you and Assessor Ward on Wednesday, March 21, 2001 to discuss KPMG Consulting's work with the Assessor's Office. As we discussed, KPMG Consulting has assisted the Assessor's Office with eliminating its deed processing backlog, conducting a business process reengineering review and performing a management and organization study.

As a result of the work performed to date, KPMG Consulting has helped the Assessor's Office eliminate a greater than 50,000 deed backlog that built up in the past two years during the implementation of its new automated deed system. This backlog represented more than $200 million in assessed valuation that was placed on this year's tax roll. Based on a conservative estimate, this resulted in more than $2 million in tax revenue for the City and County of San Francisco. Moreover, the elimination of the deed backlog significantly improved the accuracy of the tax bills reviewed by the City and County's property owners.

In recognition of our ongoing business relationship with the City and County, and the unique circumstances that KPMG Consulting and the Assessor's Office encountered in this project, we would like to offer a $75,000 reduction in our project cost.

KPMG Consulting appreciates the dedicated work of the Assessor's Office management and staff in conducting this project. We also value our client relationship with the City and County of San Francisco.

Sincerely,
KPMG Consulting

R. T. O'Neill

Robert T. O'Neill
Managing Director

KPMG Consulting

400 Capitol Mall, Suite 800
Sacramento, CA 95814

Telephone 916 551 3100
Facsimile 916 551 3030

April 5, 2001

Supervisor Mark Leno
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Supervisor Leno:

Thank you for the opportunity during the April 4th Finance Committee meeting to provide additional information about KPMG Consulting's project for the San Francisco Assessor-Recorder's Office. As you requested at the meeting, KPMG Consulting has developed monthly project invoices covering the period July 2000 through January 2001, disaggregated into the three work components of the project (Business Process Re-engineering Study, Resolution of Deed Backlog, and Management and Organizational Study). The attached "Summary of Task Hours and Cost by Month" will provide you and your colleagues on the Finance Committee with an overview of what was done, when, for what task of the Assessor-Recorder's Office project.

I have submitted copies of the monthly project invoices with supporting documentation— including receipts, monthly status reports, and the major project deliverables—to Controller Ed Harrington and Assessor-Recorder Doris Ward. Please do not hesitate to contact me if you or other members of the Finance Committee require other background information.

As I indicated at the recent meeting, KPMG Consulting initiated the processing of an addendum to our contract in September 2000 based upon the need to address the severe backlog of deeds in the Assessor-Recorder's Office. As the attached summary indicates, this was well before our project costs had reached our contractual limitation. Ultimately, our work on this important project resulted in millions of dollars in additional revenue to the City and County of San Francisco and the issuance of correct property tax bills to over 50,000 property owners this past year.

I wish to again convey to you KPMG Consulting's deep commitment to serving the City and County of San Francisco. Please call me at 916-554-1114 if I may be of any additional assistance.

Sincerely,
KPMG Consulting

R. T. O'Neill

Robert T. O'Neill
Managing Director

Attachment

cc: Controller Ed Harrington
Assessor-Recorder Doris Ward

4/5/2001

Invoice for Assessor Phase 3 -
Business Process Reengineering, Deed Processing, and Management and Organization Projects
July 1, 2000 - January 26, 2001

Summary of Task Hours and Cost by Month

Month	Hours by Task				Professional Fees by Task				Expenses By Period	Cumulative		
	BPR*	Deeds	M&O	TOTAL	BPR*	Deeds	M&O	TOTAL		Prof. Fees	Expenses	TOTAL
July 2000	128	384	-	512	$ 19,845	$ 59,536	$ -	$ 79,382	$ 7,180	$ 79,382	$ 7,180	$ 86,562
August 2000	-	520	-	520	$ -	$ 80,440	$ -	$ 80,440	$ 9,128	$ 159,822	$ 16,308	$ 176,130
September 2000	8	464	-	472	$ 1,191	$ 72,899	$ -	$ 74,090	$ 10,280	$ 233,911	$ 26,588	$ 260,500
October 2000	512	94	67	673	$ 79,054	$ 14,869	$ 13,771	$ 107,694	$ 19,034	$ 341,606	$ 45,622	$ 387,228
November 2000	596	-	214	810	$ 91,147	$ -	$ 41,586	$ 132,733	$ 19,846	$ 474,338	$ 65,468	$ 539,806
December 2000	438	-	206	644	$ 65,986	$ -	$ 40,319	$ 106,305	$ 6,318	$ 580,643	$ 71,786	$ 652,429
January 2001	410	-	192	602	$ 62,612	$ -	$ 37,309	$ 99,921	$ 2,543	$ 680,565	$ 74,329	$ 754,894
TOTAL	2,092	1,462	679	4,233	$ 319,834	$ 227,744	$ 132,986	$ 680,565	$ 74,329			

*BPR Project includes Tasks A, C, and D from the proposal dated September 28, 2001.
**Printing expenses are included in January 2001 expenses.
***Hours by task have been rounded to the nearest full hour for display purposes. Professional Fees by Task, however, are based on fraction of hours where appropriate.

Item 4 - File 01-0471

Department: Department of Public Works (DPW)

Item: Ordinance appropriating $352,000 of lease revenues from former Central Freeway right-of-way parcels currently used as parking lots to fund the design, construction, development and maintenance of road improvements on Octavia Boulevard by the Department of Public Works (DPW).

Amount: $352,000

Source of Funds: Lease revenues from former Central Freeway right-of way parcels (A through L), currently being used as parking lots.

Description: On January 15, 2001, the State transferred to the City all 23 of the Central Freeway right-of-way parcels north of Market Street, designated as Parcels A through V (see Attachment I) based on a Cooperative Agreement between the City and County of San Francisco and the State of California, dated December 5, 2000. Caltrans will retain a temporary easement over Parcels M through V for the purpose of accessing, maintaining and operating portions of the existing overhead freeway until the freeway is demolished. Under the easement, Caltrans will continue to act as landlord under any leases on parcels M through V and will collect the associated revenues from those parcels. The Board of Supervisors approved legislation authorizing the City to enter into this Cooperative Agreement with the State in May of 2000 (File 00-0667).

Mr. Richard Hillis of the Mayor's Office of Economic Development advises that the City is currently leasing Parcels A through L as surface parking lots at an estimated monthly revenue of approximately $64,000 or $768,000 annually. Attachment II identifies the parking operator lessees and the monthly rentals that each lessee pays to the City. As stipulated in Section 72.1 of the California Streets and Highways Code, the City is initially required to use revenues generated from these parcels for the purpose of designing, constructing, developing, and maintaining the Octavia Boulevard

Project and any proceeds beyond those needed for the Octavia Boulevard Project are required to be used solely for transportation and related purposes authorized under Article XIX of the California Constitution.

The Octavia Boulevard Capital Project consists of the improvement of Octavia Boulevard between Market, Fell, and Oak Streets as a ground level boulevard to expedite the passage of vehicles which would formerly have used the Central Freeway (U.S. 101). The Octavia Boulevard Project is estimated to cost over $25 million, which DPW intends to fund, subject to appropriation approval by the Board of Supervisors, from (a) lease revenues from the parking lots on Parcels A through L and, (b) the sale of some or all of the 23 parcels. Mr. Hillis states that the DPW has not yet determined which parcels will be disposed of or in what sequence. Therefore, Mr. Hillis is uncertain at this time, how long Parcels A through L will continue to be leased out to parking lot operators. Mr. Harry Quinn from the Division of Real Estate states that the estimated value of the 23 parcels is $39,400,000 based on the highest and best use of the parcels as well as maximum density. Mr. Hillis further states that not all parcels may be sold by the City if the proceeds are not needed to fund the Octavia Boulevard Project or if the parcels are too small to dispose of. The sale proceeds from such parcels would be subject to Board of Supervisors appropriation approval.

The proposed ordinance would appropriate $352,000 in lease revenues to be received from the lessees operating the fourteen parking lots identified in Attachment II for the period from January 15, 2001 through June 30, 2001 (5.5 months) for: (1) preliminary design work for the Traffic Systems Management Plan which includes the design for traffic control signs and signals; and, (2) planning and development work associated with the disposition of the freeway parcels, including transportation and planning studies, appraisals of the parcels, a community planning effort and preparation of the Requests for Proposals (RFPs) for the disposal of some of the parcels.

Budget:

The budget for the requested supplemental appropriation, which all pertain to the Octavia Boulevard Project, is as follows:

Engineering Design	$155,451
Parcel Planning & Disposition	71,680
Transportation & Planning Studies	87,000
Department of Real Estate	20,000
City Attorney	15,000
Printing/Reproduction	2,869
Total	$352,000

Attachment III, provided by Mr. Hillis, contains budget details for all costs listed above, except for the Printing and Reproduction costs, which are approximately one percent of the total budget of $352,000.

Comments:

1. Mr. Hillis advises that the Engineering Design work in the amount of $155,451 includes preliminary design work for the Traffic Systems Management Plan, which includes the design of traffic control signs and signals on roadways surrounding the Central Freeway to improve the flow of traffic to the freeway. According to Mr. Hillis, the Engineering Design work will be conducted by DPW's Bureau of Engineering (BOE); DPW's Bureau of Construction Management, the Municipal Railway and the Department of Parking and Traffic.

2. According to Mr. Hillis, Parcel Planning and Disposition will be conducted by the Department of Public Works' Bureau of Engineering (BOE). The BOE Project Manager would be budgeted to spend 640 hours at $112 per hour for a total of $71,680 managing the parcel disposition process, which will include developing RFPs for parcel development, selecting parcel developers, negotiating disposition agreements and negotiating with the State for acquisition of additional parcels adjacent to the Central Freeway right-of-way parcels in conjunction with the Division of Real Estate and the City Attorney's Office.

3. Mr. Hillis states that the proposed Transportation and Planning Studies are more focused planning studies associated with the Better Neighborhoods 2002 planning

effort being conducted by the Department of City Planning (DCP). Mr. Hillis advises that DCP will amend three existing contracts that DCP has with Fehr & Pers, Solomon E.T.C. and Strategic Economics to conduct the proposed studies because these contractors are already studying the neighborhood which will be affected by the Octavia Boulevard Project. Mr. Hillis further advises that DCP selected the three contractors through a RFP process and that DPW will reimburse DCP for the contract costs associated with the proposed studies from the subject lease revenues from the parking lot operators.

The proposed Transportation and Planning Studies would include: (a) a transportation study to be conducted by Fehr & Pers to determine the Octavia Boulevard Project's impact on neighborhood parking at an estimated cost of $57,336; (b) a planning study to be conducted by Solomon E.T.C. to determine the most appropriate use and zoning of the right-of-way parcels at an estimated cost of $20,860; and, (c) an as-needed contract with Strategic Economics estimated at $5,000 (40 hours at $125 per hour) to assist in analyzing the RFPs for the parcel dispositions and to assist in establishing financial strategies to pay for the Octavia Boulevard Project construction costs because full disposition of the right-of-way parcels adjacent to Octavia Boulevard may not occur before the roadway is complete, according to Mr. Hillis. The total estimated contract costs for the proposed Transportation and Planning Studies is $83,196, or $3,804 less than the $87,000 requested in the proposed supplemental appropriation. The proposed supplemental appropriation for Transportation and Planning Studies should therefore be reduced as follows:

Proposed Supplemental Appropriation Request	Recommended Amount	Budget Analyst Recommended Reductions
$87,000	$83,196	$3,804

This would result in a total of $348,196 (amount requested of $352,000 less $3,804).

4. Mr. Hillis advises that the proposed Department of Administrative Services, Division of Real Estate (DRE) work order in the amount of $20,000 consist of:

- $8,500 for the contract appraisal of Parcels D, E and K through V and $1,500 for the updated appraisal of Parcels A, B, C, F, G, H, I, J and two State-owned parcels or 24 parcels for additional affordable housing requirements for a total of $10,000 to be conducted by DRE contract appraisers selected by an annual RFP process. Mr. Quinn states that the contract appraisers will spend approximately 80 hours at $125 per hour to conduct the two proposed appraisals.

- $10,000 for staff time (105 hours at $95 per hour) for (1) the administration of the appraisal contracts; (2) lease administration and negotiations; (3) negotiations with long-term parking lot leaseholders to determine the appropriate use of the parcel; (4) lease negotiations associated with the acquisition of State-owned parcels; (5) title research; (6) research on possible street vacations; (7) development of a parcel disposition strategy; and, (8) development of RFPs for parcel disposition.

5. According to Mr. Hillis, the proposed City Attorney work order in the amount of $15,000 (107 hours at $140 per hour) is for (a) lease negotiations with long-term parking lot leaseholders to determine if there is a more appropriate use for the parcel(s); (b) lease negotiations associated with the acquisition of State-owned parcels adjacent to the right-of-way parcels; (c) title research; (d) legal research on possible street vacations; (e) development of a parcel disposition strategy; and, (f) development of RFPs for parcel disposition.

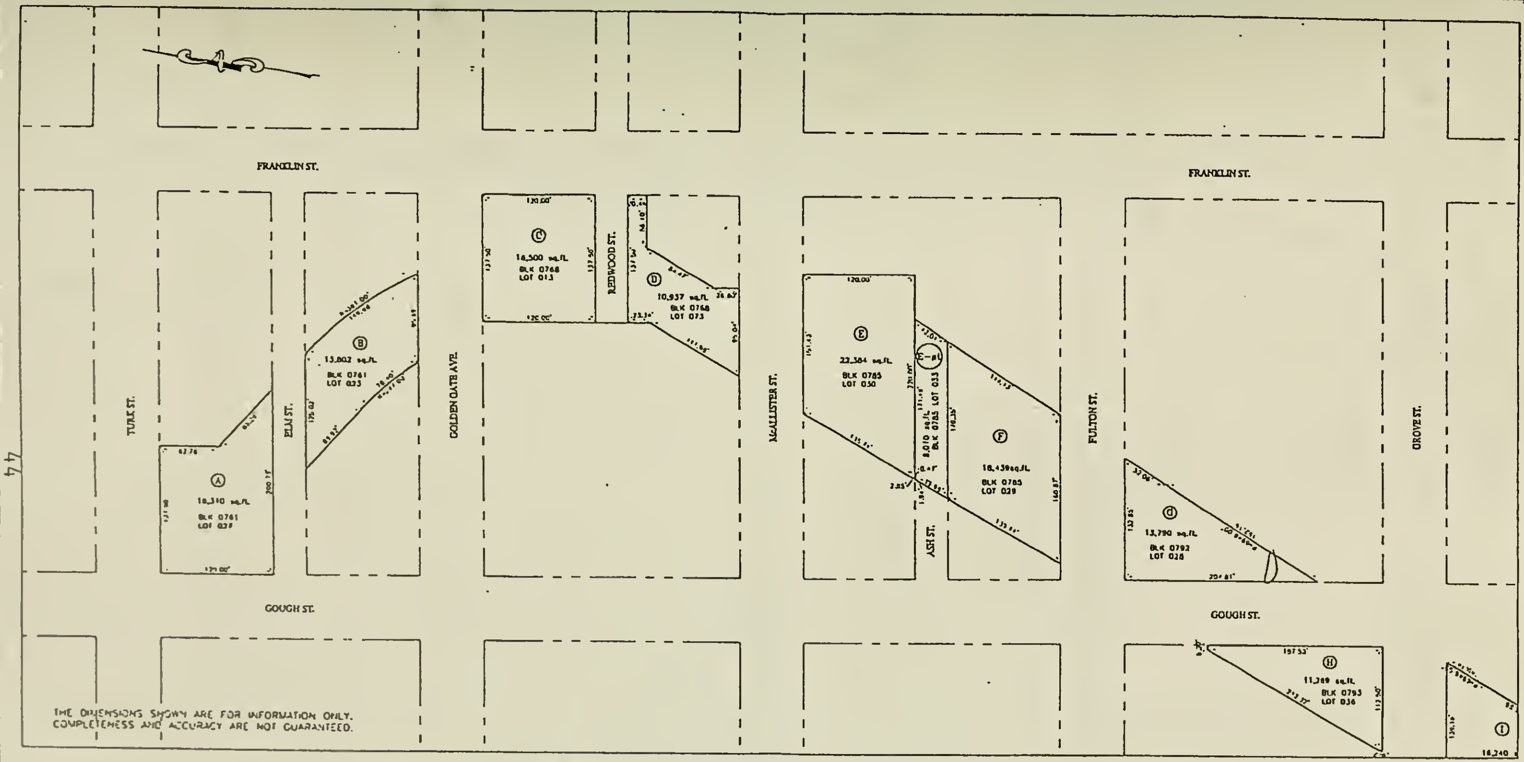
6. Mr. Hillis states that the Printing and Reproduction costs of $2,869, or approximately 1 percent of the total budget of $352,000, are for printing and mailing community notices regarding upcoming community planning meetings, as well as printing and mailing costs of RFPs for the remainder of FY 2000-2001.

7. Mr. Hillis advises that DPW budgeted $400,000 in prior years for the Octavia Boulevard Project based on a grant award for the design and development of Octavia Boulevard from the San Francisco Transportation Authority, which is reimbursed to DPW as costs are incurred. DPW has currently received $300,993 and expects to receive the remaining $99,007 as these costs are incurred. The subject supplemental appropriation would fund the additional work outlined in the description above for the Octavia Boulevard Project.

Recommendations:

1. Amend lines two, seventeen and nineteen of the proposed supplemental appropriation ordinance by reducing the requested amount of $352,000 by $3,804 to $348,196, in accordance with Comment No. 3 above.

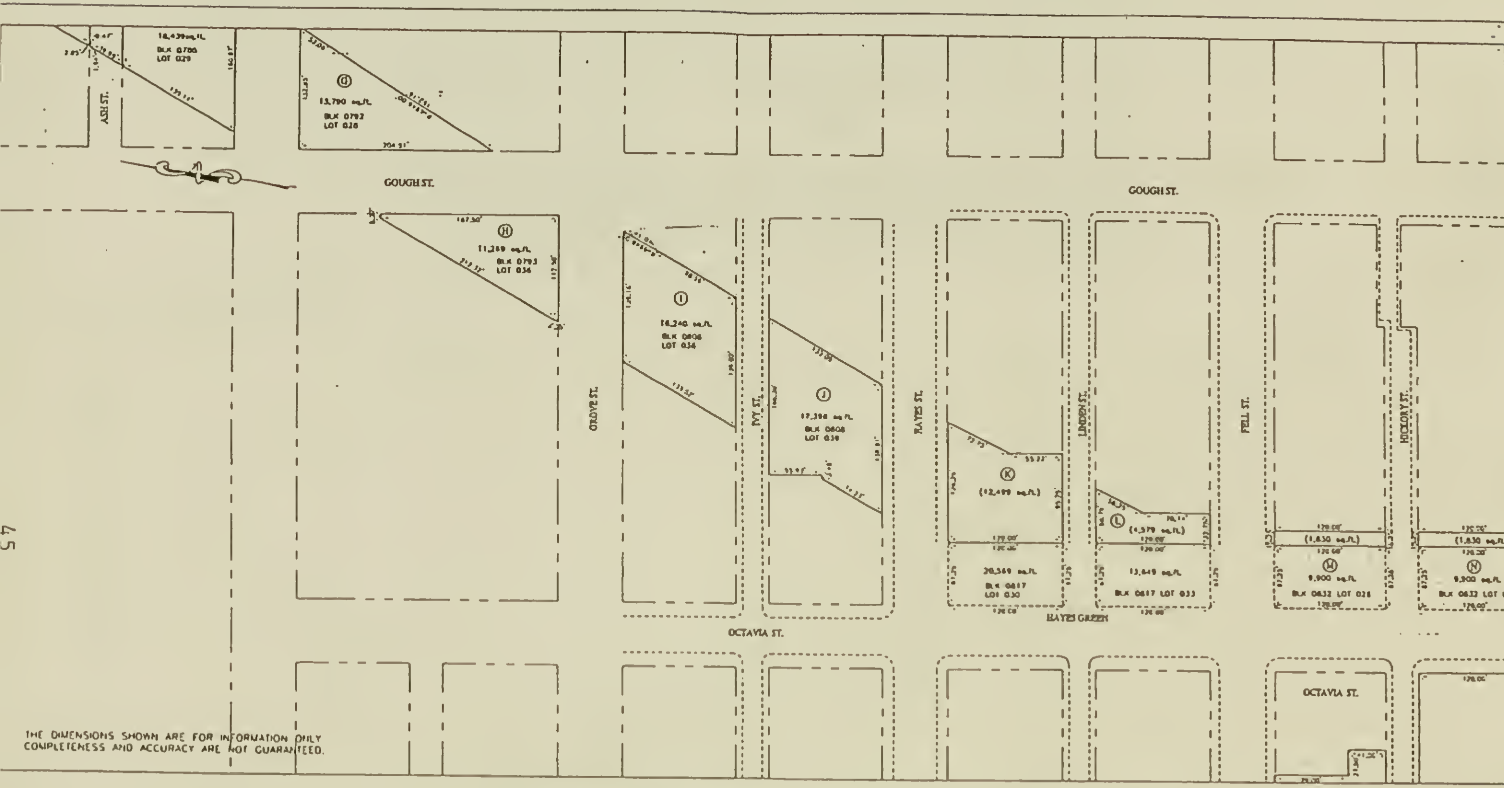
2. Approve the ordinance, as amended.



CENTRAL FREEWAY REPLACEMENT PROJECT
PARCELS TO BE RECEIVED FROM CALTRANS

PHASE I

Parcels A through G

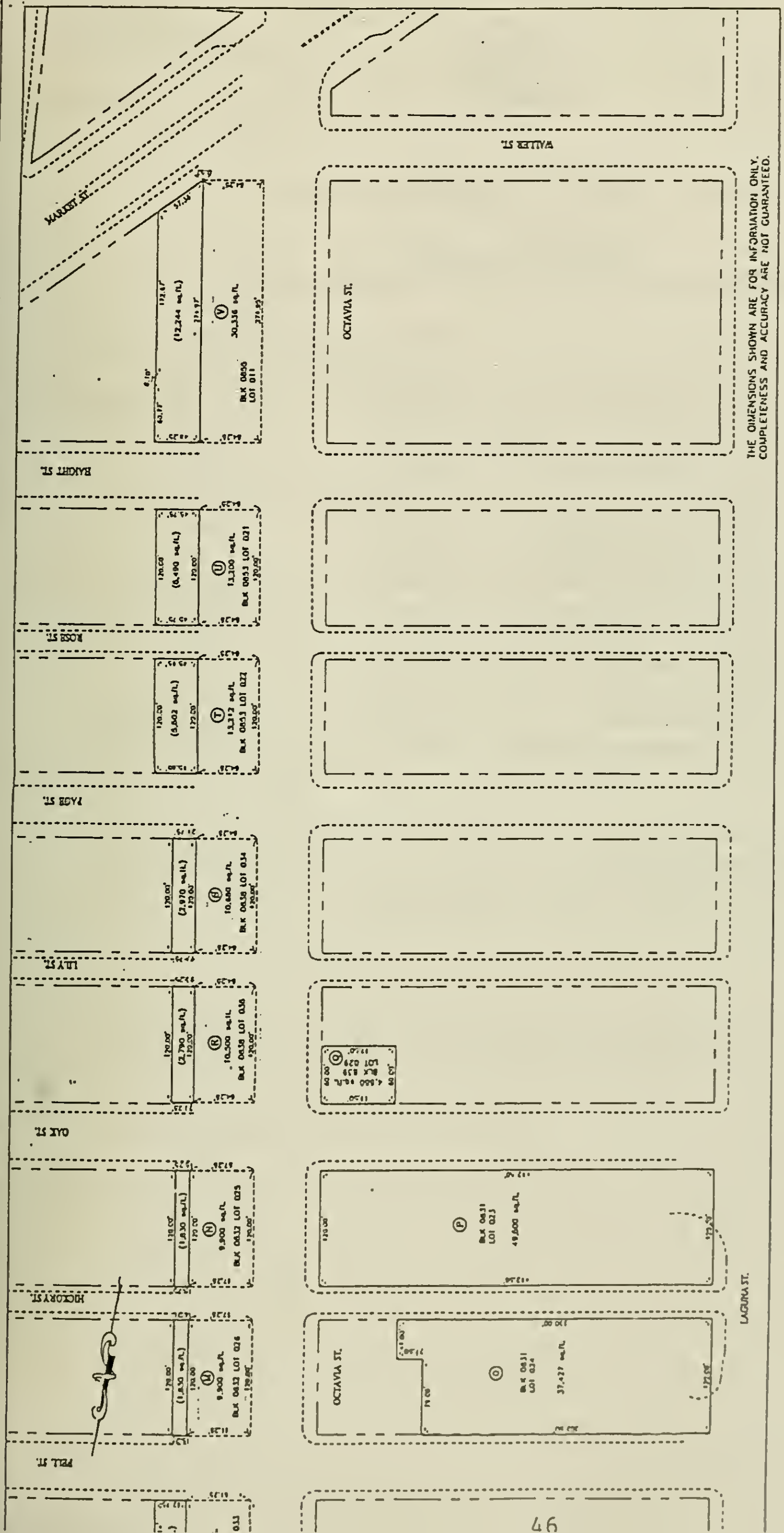


CENTRAL FREEWAY REPLACEMENT PROJECT

PARCELS TO BE RECEIVED FROM CALTRANS

PHASE I

Parcels H through L



CENTRAL FREEWAY REPLACEMENT PROJECT
PARCELS TO BE RECEIVED FROM CALTRANS

PHASE II

Parcels M through V

EXHIBIT D OF MOU
CENTRAL FREEWAY RELOCATION PROJECT

SCHEDULE 1-INDEX
SUMMARY OF LEASES IN PHASE I RELINQUISHMENT

Lease No.	Lessee	Monthly Rent	Security Deposit
SF-101-01	Car Park Management	$4,200.00	$4,700.00
SF-1-1-02	Alfred Giannini	667.00	0
SF-101-03,4,53,54	S.F.Unified School District	4,090.60	1,450.00
SF-101-05	San Francisco Opera	7,750.00	8,250.00
SF-101-06	San Francisco Opera	5,400.00	5,900.00
SF-101-07	Safe Park Corporation	4,900.00	5,400.00
SF-101-08	Safe Park Corporation	7,200.00	16,700.00
SF-101-09	San Francisco Symphony	6,400.00	6,400.00
SF-101-10	Safe Park Corporation	4,700.00	5,200.00
SF-101-11	Safe Park Corporation	3,000.00	3,500.00
SF-101-64	Federal Auto Parks, Inc.	12,113.00	12,613.00
SF-101-65	Alfred Giannini	1,200.00	1,700.00
SF-101-66	Alfred Giannini	550.00	1,050.00
SF-101-68	S. F. Redevelop. Agency	2,100.00	2,600.00

Total Monthly Rent	$64,270.60	
Total Security Deposit		$75,463.00
Total Annual Rent	$771,247.20	

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OFFICE OF THE MAYOR
SAN FRANCISCO

WILLIE L. BROWN, JR.

MEMORANDUM

March 20, 2001

To: MAUREEN SINGLETON
Board of Supervisor's Budget Analyst

From: RICHARD HILLIS
Mayor's Office

Re: Supplemental for Octavia Boulevard

Per our conversation yesterday, I am providing you with the following additional information regarding the supplemental appropriation for Octavia Boulevard:

1. The proposed $20,000 work order to the Department of Real Estate includes the following:

   - $10,000 for contract appraisals to value Parcels D, E, and K through V; and to update appraisals for Parcels A, B, C, F, G, H, I, J and State-owned parcels for additional affordable housing requirements.

   - $10,000 for staff time (105 hours @ $95/hour) for administration of appraisal contracts; lease administration and negotiations; negotiations with long-term leaseholders; negotiations associated with the acquisition of State-owned parcels; title research; possible street vacations; and development of disposition strategy and RFP's.

2. The proposed $15,000 work order for the City Attorney's Office includes the following

   - $15,000 for staff time (107 hours @ $140/hour) for lease negotiations with long-term leaseholders; negotiations for acquisition of State-owned parcels; title research; possible street vacations; and development of disposition strategy and RFP's.

3. Attached is the proposed schedule for the Octavia Boulevard project as outlined in the Cooperative Agreement between the City and Caltrans.

4. Attached is a FAMIS report, dated March 20, 2001, detailing the budget status for the project.

If you have any question, please call me at 554.4082.

MAR-20-2001 15:12 MAYORS BUDGET LEGISLATIVE 415 554 6158 P.02/04

Agreement No. 4-1828-C

EXHIBIT 'F'

CENTRAL FREEWAY REPLACEMENT PROJECT SCHEDULE

November 2000	-	EA re-evaluation complete - FONSI issued
November 2000	-	Cooperative agreement signed
December 2000	-	Property transferred to City
April 2002	-	TSM improvements start construction (CITY)
January 2003	-	Demolition specifications out to bid (CALTRANS)
June 2003	-	TMP in place (CITY)
June 2003	-	Demolition begins (CALTRANS)
October 2003	-	New structure specifications out to bid (CALTRANS)
March 2004	-	Construction of new structure begins (CALTRANS)
March 2004	-	Construction of Octavia Blvd. Begins (CITY)
March 2005	-	Octavia Blvd. Construction complete (CITY)
April 2006	-	New structure complete (CALTRANS)

OFFICE OF THE MAYOR
SAN FRANCISCO

WILLIE L. BROWN, JR.

MEMORANDUM

April 11, 2001

To: MAUREEN SINGLETON
Board of Supervisor's Budget Analyst

From: RICHARD HILLIS
Mayor's Office of Economic Development

Re: Supplemental for Octavia Boulevard

Per our conversation yesterday, I am providing you with the following additional information regarding the supplemental appropriation for Octavia Boulevard:

1. Detail for the proposed planning and transportation studies (see attached).

2. An hourly breakdown for the Department of Public Works (DPW) proposed work (see attached). This work will consist of:

   - Preliminary design work for the Traffic Systems Management Plan (TSM) including signalization and roadway changes to improve the flow of traffic to the freeway. These TSM measures were identified as part of the project's environmental assessment; and

   - Planning and development work associated with the disposition of freeway parcels including negotiating with the State for the acquisition of additional parcels adjacent to the City-owned parcels, negotiating with long-term leaseholders, developing a parcel disposition strategy, developing RFP's for parcel development; selecting parcel developers, and negotiating disposition agreements with selected developers.

If you have any question, please call me at 554.4082.

1 DR. CARLTON B. GOODLETT PLACE, Room 200 SAN FRANCISCO, CALIFORNIA 94102

Better Neighborhoods 2002 - Civic Center Parking Analysis
Estimated Labor Hours

	Nelson\Nygaard Consulting Associates						Fehr & Peers Associates							
	Bonnie Nelson	Jeffrey Tumlin	Associate	Graphics/ Production	Other Direct Expenses	Cost	James Daisa	Matthew Ridgway	Senior Engineer	Data Collectors	Graphics/ Production	Other Direct Expenses	Cost	Tasks Costs
Hourly Billing Rates	$100	$80	$48	$48			$145	$135	$100	$25	$70			
PHASE 1 – EXISTING CONDITIONS	8	56	64	12	$1,525	$10,453	4	48	92	148	80	$575	$26,135	$36,583
Task 1 - Parking Inventory.	0	4	0	2	$25	$441	0	8	24	0	16	$100	$4,700	$5,141
Task 2 – Parking Occupancy.	0	4	0	2	$25	$441	0	12	32	100	24	$250	$9,250	$9,691
Task 3 - Postcard Survey	0	16	24	4	$1,200	$3,824	0	4	4	48	24	$100	$3,920	$7,744
Task 4 – Interviews.	4	20	40	4	$250	$4,362	0	8	0	0	0	$25	$1,105	$5,457
Task 5 – Existing Conditions Report.	4	12	0	0	$25	$1,385	4	16	32	0	16	$100	$7,160	$8,545
PHASE 2 – POLICY DIRECTION	12	68	72	24	$150	$11,498	4	60	0	0	6	$150	$9,250	$20,748
Task 6 – Parking Pricing Elasticity Review.	0	8	32	2	$50	$2,322	0	4	0	0	2	$25	$705	$3,027
Task 7 – Parking Policy Discussions.	4	40	0	2	$100	$3,796	0	40	0	0	2	$100	$5,610	$9,436
Task 8 – Parking Strategy Report.	8	20	40	20	$100	$5,380	4	16	0	0	2	$25	$2,905	$8,285
Total Hours	20	124	136	36			8	108	92	148	86			
Cost Per Person	$2,000	$9,920	$6,528	$1,728			$1,160	$13,380	$9,200	$3,700	$6,020			
Total Other Direct Expense Costs					$1,775	$21,951						$725	$35,385	
Total Project Costs														$57,336

Solomon E.T.C.

Market and Octavia: Proposal for Additional Services

This proposal concerns the 4 initial parcels identified as A, C, H, and J.

	Solomon ETC				
	DS	JE	RA	Staff	Total
	$160	$110	$110	$65	
1. Prepare design alternatives for parcels A, C, H*, J to be reviewed by SF Pg Dept., the Redevelopment Agency, the Mayor's Office, and the Community.	12	36	4	16	68
2. Prepare design criteria for RFPs for land disposition (ie. density, height, streetscape, parking, entry patterns, build-to line, potential retail frontages, etc.)	12	24	8	10	54
3. Prepare material for presentations to Redevelopment Agency, public hearings, etc.	2	12	8	20	42
4. Coordinate with Redevelopment Agency and reconsider whether or not there should be a redevelopment plan amendment and/or an overlay.	4	8	2	8	22
5. Reconcile Proposition K shadow requirements with redevelopment potential of parcels located between Turk, Golden Gate, Franklin, and Gough.	2	8		2	12
HOUR TOTALS	32	88	22	56	198
FEES TOTALS	$5,120	$9,680	$2,420	$3,640	$20,860

*For Parcel H, we will review the design, which already exists.

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3/8/01

SUPPLEMENTAL APPROPRIATION BUDGET SUMMARY
LOCAL STREETS AND ROADS REHABILITATION PROJECTS
Bureau of Engineering Estimated Labor Budget

Engineering Design

Title	Class. No.	Hrly Rate	Hrs	Totals
BOE				
Associate Civil Engineer	5206	$ 85	340	$ 28,978
Civil Engineering Associate	5366	$ 73	100	$ 7,326
Associate Electrical Engineer	5238	$ 85	680	$ 57,956
Electrical Engineering Associate	5354	$ 63	170	$ 10,761
Administrative Engineer	5174	$ 106	68	$ 7,215
Administrative Assistant	1446	$ 56	34	$ 1,890
BCM				
Chief Surveyor	5216	$ 98	24	$ 2,357
Surveying Assistant	5312	$ 67	120	$ 8,050
Senior Sewage Treatment Chemist	2478	$ 89	40	$ 3,580
Muni				
Associate Civil Engineer	5206	$ 85	136	$ 11,591
Engineering Associate	5366	$ 73	68	$ 4,982
DPT				
Traffic Engineer	5230	$ 99	40	$ 3,947
Associate Traffic Engineer	5229	$ 85	80	$ 6,818
TOTAL			1,560	$ 155,451

Parcel Planning & Disposition

Title	Class. No.	Hrly Rate	Hrs	Totals
BOE				
Project Manager	1375	112	640	$ 71,680
TOTAL			640	$ 71,680

Item 5 – File 01-0546

Department: Civil Service Commission (CSC)
Department of Human Resources (DHR)

Item: Resolution fixing the highest general prevailing rate of wages, including wages for overtime and holiday work, for various crafts and kinds of labor as paid for similar work in private employment in the City and County of San Francisco at the rates certified to the Board of Supervisors by the Civil Service Commission on December 4, 2000.

Description: Charter Section A7.204 requires that City contractors and subcontractors for public works or improvements pay not less than the highest general prevailing rate of wages[1] to all of the contractors and subcontractors workers, including parking garage attendants and janitors, that are performing such work under City contracts[2]. Section 6.22 of the City's Administrative Code requires that the Board of Supervisors, at least once during each calendar year, fix and determine these highest general prevailing wage rates paid in private employment for similar work, including the rate of wages for overtime and holiday work.

The proposed resolution would establish the highest general prevailing rate of wages which private employers are required to pay such workers performing labor under such City contracts. The Attachment provided by Ms. Janet Bosnich of the Department of Human Resources, contains a list of all such workers.

In accordance with Section 6.22 of the City's Administrative Code, to assist the Board of Supervisors in determining these wage rates, the

[1] A prevailing wage rate is the rate of compensation paid to a majority of workers engaged in a specified category of craft or labor.
[2] Charter Section A7.204 permits the Board of Supervisors by resolution to exempt from the prevailing wage requirement any contract where the work is to be performed by a non-profit organization that provides job training and work experience for disadvantaged individuals in need of such and experience and either (1) has a board of directors appointed by the Mayor or (2) exists primarily to design and build urban gardens, yards and play areas.

Civil Service Commission is required to furnish to the Board of Supervisors, on or before the first Monday in November of each year, data as to the highest general prevailing rate of wages as paid by private employers to various craft and other workers in San Francisco. Section 6.22 further states that the Board of Supervisors is not limited to the data submitted by the Civil Service Commission in determining the prevailing wage rates, but may consider other information on the subject that the Board of Supervisors deems proper. In accordance with Administrative Code Section 6.22, if the Board of Supervisors in any calendar year does not fix or determine the highest general prevailing rate of wages, the rates established by the California Department of Industrial Relations for that year shall be deemed adopted.

In March of 1989, the Board of Supervisors amended the City's Administrative Code to include the operation of a City-owned off-street parking lot or parking garage under the term "public work or improvements", in order to provide prevailing wages to private Garage Attendants in City-owned garages. In addition, in May of 1999, the Board of Supervisors further amended the City's Administrative Code to require that persons performing janitorial services under contract to the City also be paid not less than the general prevailing rate of wages in private employment for similar work. It should also be noted that, in accordance with Section 6.22 of the Administrative Code, these prevailing wage rates pertain to privately owned property, that is subject to construction contracts, which upon completion of such construction work will be leased to the City for the City's use, if the lease agreement is entered into prior to the construction contract or the construction work is performed in accordance with the City's specifications.

The Civil Service Commission has provided the Board of Supervisors with the following data for determining the highest general prevailing rate of wages: (1) the General Prevailing Wage

Determination Survey conducted by the Director of Industrial Relations, State of California, for all craft workers, not including Parking Garage Attendants or Janitors; (2) the Collective Bargaining Agreement between Parking Employers and Teamsters Automotive Employees, Local 665 in effect through November 30, 2000 for Parking Garage Attendants (See Comment No. 2); and (3) the Collective Bargaining Agreement between the San Francisco Maintenance Contractors Association and the Service Employees International Union (SEIU), Building Service Employees Union Local 87 in effect through July 31, 2003 for Janitors.

Comments:

1. As noted above, the Civil Service Commission is required to furnish data to the Board of Supervisors as to the highest general prevailing rate of wages as paid by private employers to various craft and other workers in San Francisco, as identified in the Attachment. In accordance with the City's Administrative Code Section 6.22, this data is to be forwarded to the Board of Supervisors on or before the first Monday in November of each year, or by November 6, 2000. However, the Budget Analyst notes that the Civil Service Commission did not certify such data until December 4, 2000. The Budget Analyst further notes that the data was not forwarded to the Board of Supervisors until March 27, 2001, or approximately five months after it was due to the Board of Supervisors.

According to Ms. Bosnich, DHR did not provide the necessary information to the Civil Service Commission until late November of 2000 and thus the Civil Service Commission could not certify the data until December 4, 2000. Ms. Bosnich reports that DHR was delayed in providing the data to the Civil Service Commission because there was a 100 percent turnover of the three professional staff within the Compensation Unit within DHR during the Fall of 2000. Ms. Bosnich advises that it is the professional staff within DHR's Compensation Unit, which is responsible for forwarding the information to the Civil Service Commission.

Ms. Molly Stump of the City Attorney's Office advises that the City Attorney was delayed in preparing the subject resolution and forwarding the related accompanying data from the Civil Service Commission to the Board of Supervisors because she was only appointed to the Civil Service Commission and DHR responsibilities in January of 2001. Furthermore, Ms. Stump advises that she has been actively involved in the current labor negotiations with the various City employee organizations and did not previously have time to draft the subject resolution.

2. As noted above, the Parking Garage Attendant Agreement (Local 665), which was submitted by the Civil Service Commission to the Board of Supervisors, expired on November 30, 2000. Ms. Bosnich advises that on March 6, 2001, the DHR received a new Parking Garage Attendant Agreement between Parking Employers and the Teamsters Automotive Employees, Local 665, for the period retroactive to December 1, 2000 through November 30, 2003. The Parking Garage Attendant Agreement, which expired on November 30, 2000, and which was submitted by the Civil Service Commission to the Board of Supervisors identifies $14.50 per hour, as the prevailing wage rate for Parking Garage Attendants. This rate of $14.50 per hour for Parking Garage Attendants was effective as of December 1, 1999.

According to the new three-year Agreement extending from December 1, 2000 through November 30, 2003, the Parking Garage Attendants prevailing wage rate, effective December 1, 2000 is $15.50 per hour, which is $1.00, or 6.9 percent more than the previous Agreement. As noted above, the Board of Supervisors is not limited to the data submitted by the Civil Service Commission in determining the prevailing wage rates, but may consider other information on the subject that the Board of Supervisors deems proper.

3. In response to the Budget Analyst's request for fiscal impact data of the proposed legislation, Mr. Geoff Rothman of the DHR reports that neither the Civil Service Commission (CSC) nor the Department of Human Resources (DHR) has conducted a specific fiscal analysis and the related costs to the City as a result of fixing the highest general prevailing rate of wages for contractor and subcontractor workers, garage attendants and janitors. Mr. Rothman further advises that neither the CSC nor the DHR has the ability to determine such costs, since the CSC and DHR are not involved in the awarding, costing or tracking of such contracts. However, Mr. Rothman advises, if the proposed resolution is approved, all construction and maintenance contractors and parking lot management companies that do work for the City would be required to pay the highest general prevailing rate of wages as set by the Board of Supervisors for such contractor and subcontractor workers, janitors and garage attendants, which could result in higher total costs or lower revenues to the City from the parking garages. The actual costs and revenues to the City, however, will be determined by the individual bids or proposals submitted by each such City contractor and parking lot management company.

4. Ms. Pamela Levin of the Controller's Office advises that the Controller's Office cannot estimate the fiscal impact of the proposed resolution because the Controller's Office would need to conduct further research and analysis of individual contracts to determine such impacts.

5. The Budget Analyst advises that the proposed rate of $14.85 per hour for private contract janitorial workers is between $1.06 to $4.44 per hour less when compared to the City's current rate of $15.91 per hour at the first step to $19.29 per hour at the fifth step, for a 2708 City Custodian position. Therefore, the Budget Analyst notes that, even with the proposed highest general prevailing rate of wages to be paid to private janitorial staff, it is likely to still be less costly for the City to

continue to contract out existing janitorial services contracts.

6. In October of 2000, the Board of Supervisors approved an ordinance (File 00-1207) amending Section 6.22 of the Administrative Code to strengthen enforcement of the City's prevailing wage requirements and other requirements imposed on public works contractors by the City's Charter and Administrative Code. This recently approved ordinance also increased the penalties to be paid to the City by contractors and subcontractors from $25 to $50 per day for each worker who is not paid the prevailing wage while working on a City contract, as well as imposing other penalties for various violations. In addition, this new ordinance added a new Section 6.24 to the City's Administrative Code to establish an office within the Department of Administrative Services to enforce prevailing wage and other City public works requirements.

Mr. Ara Minasian of the Department of Administrative Services advises that this new enforcement office is currently being developed by the Director of Purchasing, and that a request for a supplemental appropriation to establish this new office has recently been submitted to the Mayor's Office. Ms. Erin McGrath of the Mayor's Office advises that a supplemental appropriation ordinance for this new enforcement office to enforce prevailing wage and other City public works requirements will be forwarded to the Board of Supervisors shortly, and would be included in the FY 2001-02 budget for the Department.

Recommendations:

1. Amend the proposed resolution to add the Parking Garage Attendant Agreement, extending from December 1, 2000 through November 30, 2003 with an effective prevailing wage rate of $15.50 per hour as of December 1, 2000, instead of using the Parking Garage Attendant Agreement which expired on November 30, 2000, with an effective prevailing wage rate of $14.50 per hour as of December 1, 1999.

2. Based on the City's Charter requirement that City contractors and subcontractors must pay the highest prevailing wage rates to their workers, including parking garage attendants and janitors, approve the proposed resolution, as amended.

Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

Workers Covered by the Prevailing Wage Legislation

Asbestos Removal Worker (Laborer)
Asbestos Worker, Heat and Frost Insulator
Boilermaker-Blacksmith
Boilermarker (for Pipelines)
Boilermarker-Blacksmith (for storage tank erection and repair)
Building Inspector (Operating Engineer)
Carpenter
Cement Mason
Cranes, Pile Driver and Hoisting Equipment (Operating Engineer)
Dredger (Operating Engineer)
Drywall Installer (Carpenter)
Electrical Utility Lineman
Elevator Constructor
Fence Builder (Carpenter)
Fence Constructor (Laborer)
Fire Safety and Miscellaneous Sealing
Gunite Worker (Laborer)
Housemover (Laborer)
Iron Worker
Janitors
Laborer
Laborer Trainee (Landscape Construction)
Landfill Worker (Operating Engineer)
Landscape Irrigation Laborer
Landscape Maintenance Laborer
Landscape Operating Engineer
Light Fixture Maintenance
Operating Engineer
Operating Engineer (Building Construction)
Operating Engineer (Heavy and Highway Work)
Operating Engineer (Landscape Construction)
Parking and Highway Improvement Painter (Laborer)
Parking Garage Attendants
Pile Driver (Carpenter)
Pile Driver (Operating Engineer - Building Construction)
Pile Driver (Operating Engineer - Heavy and Highway Work)
Sewer Maintenance
Slurry Seal Worker
Stator Rewinder
Steel, Tank and Machinery Erection (Operating Engineer - Building Consturction)
Steel, Tank and Machinery Erection (Operating Engineer - Heavy and Highway Work)
Teamster
Telephone Installation Worker
Traffic Control/Lane Closure (Laborer)
Tree Trimmer (line clearance)
Tunnel (Operating Engineer)
Tunnel Worker (Laborer)
Tunnel/Underground (Operating Engineer)

~ME00006.xls

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Supervisors Mark Leno, Aaron Peskin and Matt Gonzalez

Clerk: Gail Johnson

Wednesday, April 25, 2001 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Mark Leno, Aaron Peskin, Matt Gonzalez.

MEETING CONVENED

The meeting convened at 10:11 a.m.

001391 [Enforcement of Sign Regulations]

Supervisor Leno

Ordinance amending Part II, Chapter II, of the San Francisco Municipal Code (Planning Code) by amending Section 176 and adding Section 610 to substantially increase the penalties for violation of regulations governing general advertising signs; amending Article XIII of the San Francisco Administrative Code to add Section 10.117-126 to establish a Planning Code Enforcement Special Account and authorize the administrative penalties and fees collected pursuant to Section 610 and penalties and fees recovered by the City Attorney in a sign abatement action to be used to fund sign regulation enforcement activities and graffiti removal.

From Planning Commission Resolution No. 16055 adopted 12/14/00, recommending adoption of proposed ordinance with deletion of reference to graffiti removal. Certificate of Determination of Exemption/Exclusion from Environmental Review dated 01/05/01.

7/31/00, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 8/30/2000. 9/6/00 Transmitted to Planning Commission for public hearing and recommendation.

2/1/01, TRANSFERRED to Housing, Transportation and Land Use Committee. New committee structure.

4/3/01, TRANSFERRED to Finance Committee.

Heard in Committee. Speakers: Steven 'Shotland, Planning Department; DeeDee Norkman, Director, San Francisco Beautiful; Jim Chappell, President, SPUR; Bob Friese, San Francisco Beautiful; Tamar Cooper, Program Director, San Francisco Beautiful; Marilyn Duffey, Board Member, San Francisco Beautiful; Dick Millet, Potrero Boosters; John Elberling, Executive Vice President, TODCO; Anita Hill, Executive Director, Yerba Buena Alliance; Sal Salvo; John O'Connell; Michael Colbruno, Government Affairs Director, Eller Media; John Becker, President, Teamsters Local 853; Lew Lillian, represents Affinity Outodoor; Stephen Cornell, President, Small Business Commission; Robin Chang, Board Member, San Francisco Beautiful; Ms. McKenna?; Aaron Harris (works at Eller Media); Mr. Chow?, represents Eller Media; Jane 'Winslow?; Female Speaker; Ernestine Weiss; David Oberdorf; Jane Morrison, President, San Francisco Tomorrow; Peter Winkelstein, SPUR; Hoeard Strassner, Sierra Club; Lawrence Tenny; Gil Castle, President, San Francisco Beautiful; Donna Barrow, Executive Director, Friends of Recreation and Park; Isabel Wade, Urban Resource Center; Carla Ortega (employee of Eller Media); Mr. Pendergast; Judy Boyajian, Deputy City Attorney.

Amendment of the Whole adopted. New Amendment of the Whole prepared in Committee. Supervisors Peskin and Gonzalez added as co-sponsors.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending the San Francisco Planning Code by amending Section 176 and adding Section 610 to substantially increase the penalties for violation of regulations governing general advertising signs; amending Article XIII of the San Francisco Administrative Code to add Section 10.100-166 to establish a Planning Code Enforcement Fund and authorize the administrative penalties and fees collected pursuant to Section 610 and penalties and fees recovered by the City Attorney in a sign abatement action to be used to fund sign regulation enforcement activities.

From Planning Commission Resolution No. 16055 adopted 12/14/00, recommending adoption of proposed ordinance with deletion of reference to graffiti removal. Certificate of Determination of Exemption/Exclusion from Environmental Review dated 01/05/01.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

002196 **[Information on general advertising sign]**

Supervisors Leno, Bierman

Ordinance amending the San Francisco Planning Code by adding Section 604.1 to require general advertising signs to bear the name of the sign company, permit number and permitted sign dimensions, requiring existing signs to comply within six months with two six-month extensions allowed at the Planning Director's discretion, and establishing an additional penalty of $1,000 a day for providing materially false, inaccurate or misleading information on the sign.

From Planning Commission Resolution No. 16112 adopted 3/15/01 recommending adoption of the proposed ordinance. Certificate of Determination of Exemption/Exclusion from Environmental Review dated 02/02/01.

12/18/00, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 1/17/2001. 12/20/00 - Transmitted to Planning Commission for public hearing and recommendation.

2/1/01, TRANSFERRED to Housing, Transportation and Land Use Committee. New committee structure.

3/5/01, SUBSTITUTED. Supervisor Leno submitted a substitute ordinance bearing new title.

3/5/01, ASSIGNED UNDER 30 DAY RULE to Housing, Transportation and Land Use Committee, expires on 4/4/2001. 3/09/01 - Substitute ordinance transmitted to Planning Commission for public hearing and recommendation.

4/3/01, TRANSFERRED to Finance Committee.

Heard in Committee. Speakers: Steven 'Shotland, Planning Department; Dede Hapner?, Director, San Francisco Beautiful; Jim Chappell, President, SPUR; Mr. Friese?; Tamar Cooper, Program Director, SanFrancisco Beautiful; Ms. Duffy, Board Member, San Francisco Beautiful; Dick Millet; John Elberling, Executive Vice President, TODCO; Anita Hill, Executive Director, Yerba Buena Alliance; Sal Salvo; John O'Connell; Michael Colbruno, Government Affairs Director, Eller Media; John Becker, President, Teamsters Local 853; Lew Lillian, represents Affinity Outodoor; Stephen Cornell, President, Small Business Commission; Robin Chang, Board Member, San Francisco Beautiful; Ms. McKenna?; Aaron Harris (works at Eller Media); Mr. Chow?, represents Eller Media; Jane 'Winslow?; Female Speaker; Ernestine Weiss; David Oberdorf; Jane Morrison, President, San Francisco Tomorrow; Peter Winkelstein, SPUR; Hoeard Strassner, Sierra Club; Lawrence Tenny; Gil Castle, President, San Francisco Beautiful; Donna Barrow, Executive Director, Friends of Recreation and Park; Isabel Wade, Urban Resource Center; Carla Ortega (employee of Eller Media); Mr. Pendergast; Judy Boyajian, Deputy City Attorney.

Amendment of the Whole adopted. New Amendment of the Whole prepared in Committee. Supervisors Peskin and Gonzalez added as co-sponsors.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending the San Francisco Planning Code by adding Section 604.1 to require general advertising signs to bear the name of the sign company, permit number and permitted sign dimensions, requiring existing signs to comply within twelve months with one six-month extension, providing for an identifying number in lieu of the permit number for a sign that existed in its current location on or before the Planning Department's May/June 1966 general advertising sign inventory volumes, and establishing an additional penalty of $1,000 a day for providing knowingly false, inaccurate or misleading information on the sign.

From Planning Commission Resolution No. 16112 adopted 3/15/01 recommending adoption of the proposed ordinance. Certificate of Determination of Exemption/Exclusion from Environmental Review dated 02/02/01.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

002218 [South of Market General Advertising Sign Amendment]

Supervisor Leno

Ordinance amending Part II, Chapter II, of the San Francisco Municipal Code ("Planning Code") by amending Sections 607.2, 803.3 and 803.4 to clarify that general advertising signs are prohibited in the South of Market Zoning Districts, except in the South of Market General Advertising Special Sign District. (Planning Department)

(Certificate of Determination of Exemption/Exclusion from Environmental Review dated November 30, 2000, Case No. 1999.771ET; Planning Commission Resolution No. 16047 adopted December 7, 2000 amending the Planning Code and recommending approval of the proposed amendment.)

12/21/00, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 2/1/2001.

2/1/01, TRANSFERRED to Housing, Transportation and Land Use Committee. New committee structure.

2/1/01, ASSIGNED UNDER 30 DAY RULE to Housing, Transportation and Land Use Committee, expires on 2/1/2001.

4/3/01, TRANSFERRED to Finance Committee.

Heard in Committee. Speakers: Steven 'Shotland, Planning Department; Dede Hapner?, Director, San Francisco Beautiful; Jim Chappell, President, SPUR; Mr. Friese?; Tamar Cooper, Program Director, SanFrancisco Beautiful; Ms. Duffy, Board Member, San Francisco Beautiful; Dick Millet; John Elberling, Executive Vice President, TODCO; Anita Hill, Executive Director, Yerba Buena Alliance; Sal Salvo; John O'Connell; Michael Colbruno, Government Affairs Director, Eller Media; John Becker, President, Teamsters Local 853; Lew Lillian, represents Affinity Outodoor; Stephen Cornell, President, Small Business Commission; Robin Chang, Board Member, San Francisco Beautiful; Ms. McKenna?; Aaron Harris (works at Eller Media); Mr. Chow?, represents Eller Media; Jane 'Winslow?; Female Speaker; Ernestine Weiss; David Oberdorf; Jane Morrison, President, San Francisco Tomorrow; Peter Winkelstein, SPUR; Hoeard Strassner, Sierra Club; Lawrence Tenny; Gil Castle, President, San Francisco Beautiful; Donna Barrow, Executive Director, Friends of Recreation and Park; Isabel Wade, Urban Resource Center; Carla Ortega (employee of Eller Media); Mr. Pendergast; Judy Boyajian, Deputy City Attorney.

Amendment of the Whole adopted. Supervisors Peskin and Gonzalez added as co-sponsors.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending the San Francisco Planning Code by amending Sections 607.2, 803.3 and 803.4 to clarify that general advertising signs are prohibited in the South of Market Zoning Districts, except in the South of Market General Advertising Special Sign District or where a permit was approved by the City prior to January 1, 2001. (Planning Department)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010554 **[Fiscal Year 2001-2002 Budget for the Board of Supervisors.]**

Motion submitting for approval the Fiscal Year 2001-2002 Budget by the Board of Supervisors. (Clerk of the Board)

(Fiscal impact.)

4/4/01, RECEIVED AND ASSIGNED to Finance Committee.

Speakers: None.

Continued to May 2, 2001.

CONTINUED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010620 **[Interdepartmental Jurisdictional Transfer]**

Supervisor Peskin

Ordinance transferring jurisdiction over certain real property located at Drumm Street, between Clay and Washington Streets, described generally as Assessor's Block 202, Lots 6, 14 and a portion of 15, excluding the subsurface thereof, and Block 203, Lot 14, from the Department of Public Works to the Recreation and Park Commission; and providing that no building, improvement or structure may be constructed on the surfaces of such parcels and adjoining Assessor's Block 202, Lot 18.

4/9/01, RECEIVED AND ASSIGNED to Finance Committee. April 11, 2001 City Attorney submitted a replacement ordinance to correct format errors, at the request of the Clerk's Office.

Heard in Committee. Speakers: Ernestine Weiss; Betty McGovern; Jane Morrison; Todd Clayter; Female Speaker; Howard Strassner, Sierra Club; Female Speaker; Ms. Weston; John So, Vice President, Korean American Community Center; Alec Bash, Port of San Francisco; Lawrence Tenny; Keith Sangers; Eula Walters.

Amendment of the Whole adopted. Supervisor Gonzalez added as co-sponsor.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance transferring jurisdiction over certain real property located at Drumm Street, between Clay and Washington Streets, described generally as Assessor's Block 202, Lots 6, 14 and a portion of 15, excluding the subsurface thereof, and a portion of Block 203, Lot 14, from the Department of Public Works to the Recreation and Park Commission; and providing that no building, improvement or structure may be constructed on the surfaces of such parcels and adjoining Assessor's Block 202, Lot 18.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010618 **[Appropriation, funding for Homeless Prenatal Program for Fiscal Year 2000-01.]**

Supervisors Gonzalez, Sandoval, Newsom, Daly

Ordinance appropriating $60,000 from the General Fund Reserve to support the Homeless Prenatal Program in order to provide housing placement services for the homeless, through the Department of Human Services for fiscal year 2000-2001.

4/9/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Cindy Ward, Department of Human Services, Homeless Program; Vivien Harris, Coordinator, Homeless Prenatal Program, Department of Human Services; Lisa Smith,, Housing Specialist;, Homeless Prenatal Program, Department of Human Services; Female Speaker, Homeless Prenatal Program, Department of Human Services.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010550 **[Appropriation, funding for a new facility for Extended Opportunity Program and Services]**
Supervisors Gonzalez, Newsom, Leno, Sandoval

Ordinance appropriating $700,000 of interest earned from 1997A General Obligation Bond Issue for Education to fund the construction of a new facility for the Extended Opportunity Program and Services (EOPS) for the San Francisco Community College for fiscal year 2000-01. (Controller)

(Fiscal impact.)

3/28/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.
Supervisor Gonzalez added as sponsor.

RECOMMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

010515 **[Fees for licenses or permits for inspections by the Department of Public Health effective July 1, 2001]**
Supervisor Gonzalez

Ordinance amending the San Francisco Municipal Code Business and Tax Regulations Code by amending Sections 35, 120, 248 and 249.1, relating to fees for licenses or permits for inspections by the Department of Public Health. (Public Health Department)

4/10/01, RECEIVED AND ASSIGNED to Finance Committee. Department requests this item be scheduled for consideration at the April 25, 2001 meeting.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Dr. Rajiv Bhattia, Department of Public Health; Kathleen Harrington, President, Golden Gate Restaurant Association.
Supervisor Gonzalez added as sponsor.

RECOMMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

010551 **[Appropriation, funding for modification, maintenance and repair at the Main Library]**

Ordinance appropriating $1,549,886 for modification, maintenance, and repair of the Main Library as recommended by the January 2000 Post Occupancy Evaluation (POE) Report for the Public Library for fiscal year 2000-01. (Controller)

(Fiscal impact.)

3/28/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Susan Hildreth, City Librarian; George Nichols, Finance Manager, Public Library; Philip Sauers, Bureau of Architecture, Department of Public Works Edward Harrington, Controller; Rich Walsh, Operations and Maintenance, Public Library; John Templeton, Friends of Foundation, San Francisco Public Library; Peter Warfield; JIm Haas, Chairman, Civic Pride; Paul Gormsen, Friends of Main Library; Joe Rosenthal.
Amendment of the Whole prepared in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $1,408,983 for modification, maintenance, and repair of the Main Library as recommended by the January 2000 Post Occupancy Evaluation (POE) Report for the Public Library for fiscal year 2000-01; placing $300,000 on reserve. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Leno, Peskin, Gonzalez

SPECIAL ORDER - 12:00 NOON

010621 [2001 Community Development Block Grant]

Mayor

Resolution approving the 2001 Community Development Program. Authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2001 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and program income up to $38,663,433 which include indirect costs of $160,000; and approving expenditure schedules for recipient departments and agencies and for indirect costs; and reserving $641,570 for future Board action.

4/9/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, Mayor's Office of Community Development; Mr. Teng, Chair of Citizen's Committee, Mayor's Office of Housing;Mauricio Vela, Executive Director, Bernal Heights Neighborhood Center; Stacy Antonio, Director, San Francisco Veterans Equity Center; Craig Rubens; Ricardo Alvo, General Manager, Mission Language and Vocational School; Susan Wong; Ed Tong; Ann Cochrane, Executive Director, San Francisco Conservation Corps; Naja Boyd, San Francisco Housing Authority; Brenda Lopez, Board President, Geneva Valley Development Corporation, Don Falk, Director, Tenderloin Neighborhood Development Corporation; Johnny Anguiano, Housing Conservation and Development Corporation; Sonia Melara, Executive Director, Arriva Junto; Dave Crow, Volunteer Services Program of the Bar Association of San Francisco; Marin Blanco; Paula Jones, San Francisco League of Urban Gardeners; Ramona Afo, San Francisco League of Urban Gardeners; Aaron Stevens, Black Chamber of Commerce of San Francisco; Monique Martin, Executive Director, Ingleside Community Center.

Amended on page 1, lines 8 and 9, by deleting "and reserving $641,570 for future Board action." Further amended by placing $429,626 on reserve.

AMENDED.

Resolution approving the 2001 Community Development Program. Authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2001 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and program income up to $38,663,433 which include indirect costs of $160,000; and approving expenditure schedules for recipient departments and agencies and for indirect costs; placing $429,626 on reserve.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010622 [HOME Program]

Mayor

Resolution authorizing the Mayor of the City and County of San Francisco to accept and expend a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed $7,896,000 for the HOME Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program description as described in the 2001 Action Plan for San Francisco's Consolidated Plan. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant funds.

4/9/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, Mayor's Office of Community Development; Mr. Teng, Chair of Citizen's Committee, Mayor's Office of Housing;Mauricio Vela, Executive Director, Bernal Heights Neighborhood Center; Stacy Antonio, Director, San Francisco Veterans Equity Center; Craig Rubens; Ricardo Alvo, General Manager, Mission Language and Vocational School; Susan Wong; Ed Tong; Ann Cochrane, Executive Director, San Francisco Conservation Corps; Naja Boyd, San Francisco Housing Authority; Brenda Lopez, Board President, Geneva Valley Development Corporation; Don Falk, Director, Tenderloin Neighborhood Development Corporation; Johnny Anguiano, Housing Conservation and Development Corporation; Sonia Melara, Executive Director, Arriva Junto; Dave Crow, Volunteer Services Program of the Bar Association of San Francisco; Marin Blanco; Paula Jones, San Francisco League of Urban Gardeners; Ramona Afo, San Francisco League of Urban Gardeners; Aaron Stevens, Black Chamber of Commerce of San Francisco; Monique Martin, Executive Director, Ingleside Community Center.

Amended by placing $30,000 on reserve.

AMENDED.

Resolution authorizing the Mayor of the City and County of San Francisco to accept and expend a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed $7,896,000 for the HOME Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program description as described in the 2001 Action Plan for San Francisco's Consolidated Plan. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant funds; placing $30,000 on reserve.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

010623 **[2001 Emergency Shelter Grants Program]**

Mayor

Resolution approving the 2001 Emergency Shelter Grants Program and expenditure schedule; and authorizing the Mayor on behalf of the City and County of San Francisco to accept and expend a $879,000 entitlement under the Emergency Shelter Grants Program from the U. S. Department of Housing and Urban Development.

4/9/01, RECEIVED AND ASSIGNED to Finance Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, Mayor's Office of Community Development; Mr. Teng, Chair of Citizen's Committee, Mayor's Office of Housing;Mauricio Vela, Executive Director, Bernal Heights Neighborhood Center; Stacy Antonio, Director, San Francisco Veterans Equity Center; Craig Rubens; Ricardo Alvo, General Manager, Mission Language and Vocational School; Susan Wong; Ed Tong; Ann Cochrane, Executive Director, San Francisco Conservation Corps; Naja Boyd, San Francisco Housing Authority; Brenda Lopez, Board President, Geneva Valley Development Corporation; Don Falk, Director, Tenderloin Neighborhood Development Corporation; Johnny Anguiano, Housing Conservation and Development Corporation; Sonia Melara, Executive Director, Arriva Junto; Dave Crow, Volunteer Services Program of the Bar Association of San Francisco; Marin Blanco; Paula Jones, San Francisco League of Urban Gardeners; Ramona Afo, San Francisco League of Urban Gardeners; Aaron Stevens, Black Chamber of Commerce of San Francisco; Monique Martin, Executive Director, Ingleside Community Center.

RECOMMENDED by the following vote:

Ayes: 3 - Leno, Peskin, Gonzalez

ADJOURNMENT

The meeting adjourned at 5:34 p.m.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

April 19, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: April 25, 2001 Finance Committee Meeting

Item 4 – File 01-0554

Department: Board of Supervisors

Item: Motion submitting for approval the Fiscal Year 2001-2002 Budget by the Board of Supervisors.

Description: The proposed motion would authorize the Clerk of the Board to submit the FY 2001-2002 Budget for the Board of Supervisors review. In accordance with the proposed motion, the FY 2001-2002 Budget for the Board of Supervisors includes funding for the new Local Agency Formation Commission and the new Office of District Community Services. Funding all existing and new divisions, the Board's total proposed budget for FY 2001-2002, which has been submitted to the Mayor, is $10,072,339, or $991,593 more than the $9,080,746 approved in the FY 2000-2001 budget.

Comment: The Budget Analyst will review and make recommendations to the Finance Committee in June of 2001, on the Board of Supervisors FY 2001-2002 budget, when the Budget Analyst's Office reviews all City and County department budgets as recommended by the Mayor.

Recommendation: Approval of the proposed motion is a policy matter for the Board of Supervisors.

Item 6 - File 01-0618

Item: Ordinance appropriating $60,000 from the General Fund Reserve to the Department of Human Services (DHS) for Fiscal Year 2000-2001 to expand an existing contract with the Homeless Prenatal Program, a non-profit organization that provides housing placement services to homeless families and children, including pregnant and post-partum women.

Amount: $60,000

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation would provide $60,000 to the Department of Human Services (DHS) to expand an existing contract with the Homeless Prenatal Program, a non-profit organization that provides street-based outreach services to homeless families and children, including pregnant and post-partum women. According to Ms. Cindy Ward of DHS, such services include assistance in finding temporary and permanent housing, as well as continuing case management to help clients maintain housing. The proposed supplemental appropriation of $60,000 would allow the Homeless Prenatal Program to provide eligible families with rental assistance grants to help pay for move-in costs, security deposits, last month's rent and other costs related to finding and securing housing. Ms. Ward advises that the rental assistance grants can range from $200 to $2,500, and that participants receive, on average, $800 to $1,200, per family. The Homeless Prenatal Program selects participants who are "housing ready," or demonstrate an ability to pay rent and maintain the housing.

Ms. Ward advises that DHS first selected the Homeless Prenatal Program in January of 1998 on a sole-source basis because the Homeless Prenatal Program is the only organization in San Francisco that provides street-based outreach for homeless families and children combined with the rental assistance grants discussed above. The current two-year contract between DHS and the Homeless Prenatal Program in the amount of $259,931 annually, or a total of $519,862 for the two-year contract term, began

on July 1, 2000 and will end on June 30, 2002, as shown in the Attachment, provided by DHS.

For each year of the two-year contract with the Homeless Prenatal Program the budget includes $75,000 in General Fund monies to provide rental assistance grants to families and children, according to Ms. Ward (included in other Operating Costs in the Attachment, provided by DHS). Ms. Ward reports that for Fiscal Year 2000-2001, the Homeless Prenatal Program had already expended during the six-month period the entire $75,000 by the end of December of 2000, or an average of $12,500 per month, having provided 261 families with rental assistance grants averaging $287 each. Ms. Ward advises that the Homeless Prenatal Program expended the $75,000 in funds more quickly than planned due to increasing housing costs and because the non-profit organization was able to assist more families than it had anticipated. As a result, DHS provided to the Homeless Prenatal Program an additional $32,500 for Fiscal Year 2000-2001 from savings in the DHS budget from other contracts. The Homeless Prenatal Program expended this additional $32,500 by mid-March of 2001, or an average of $13,000 per month over the 2.5-month period, having provided 81 additional families with rental assistance grants averaging $400 each, according to Ms. Ward.

The proposed $60,000 supplemental appropriation would allow the Homeless Prenatal Program to provide approximately 60 additional rental assistance grants, based on an average grant of $1,000 each, through the end of Fiscal Year 2000-2001, or an average of $30,000 per month over the remaining two months of Fiscal Year 2000-2001. However, according to Ms. Ward, if the average grant need is lower than $1,000, as it has been in the past, then the Homeless Prenatal Program would be able to serve more than 60 families. Ms. Ward advises that the entire $60,000 would only fund rental assistance grants and would not be used to fund any salaries or overhead costs. If the proposed supplemental appropriation were approved, the Homeless Prenatal Program would receive a total of $167,500 from DHS during Fiscal Year 2000-2001 for rental assistance grants to families ($75,000 originally appropriated, $32,500 in

additional funds already provided by DHS and the proposed supplemental appropriation of $60,000), or an average of $13,958 over the entire Fiscal Year 2000-2001. The existing two-year contract with the Homeless Prenatal Program would be increased by an additional $60,000, for a total contract amount of $612,362, including $352,431 for Fiscal Year 2000-2001 ($259,931 originally budgeted, $32,500 in additional funds already provided by DHS and the proposed supplemental appropriation of $60,000) and $259,931 for Fiscal Year 2001-2002).

Budget: A budget for the proposed supplemental appropriation of $60,000 is as follows:

	Cost
Rental Assistance Grants (60 grants @ approximately $1,000 each)	$60,000
Total	$60,000

Comments: 1. Ms. Ward advises for Fiscal Year 2001-2002, DHS will not request additional General Fund monies for the Homeless Prenatal Program beyond the $75,000 for rental assistance grants included in the DHS's budget request for Fiscal Year 2001-2002. According to Ms. Ward, Homeless Prenatal Program is currently working to find other funding sources to augment the $75,000 for rental assistance grants in Fiscal Year 2001-2002.

2. Ms. Ward states that the Homeless Prenatal Program has been effectively fulfilling the terms of the organization's contract with DHS.

Recommendation: Approval of the proposed supplemental appropriation is a policy matter for the Board of Supervisors.

	A	B	C	D	E
1				Appendix B, Page 1	
2				Document Date: 4/19/00	
3	DEPARTMENT OF HUMAN SERVICES CONTRACT BUDGET SUMMARY				
4	BY PROGRAM				
5	Contractor's Name			Contract Term: 7/1/00-6/30/02	
6	Homeless Prenatal Program				
7	(Check One) New ____ Renewal ☒ Modification ____				
8	If modification, Effective Date of Mod.	No. of Mod.			
9	Program: Housing Assistance				Total
10	Budget Reference Page No.(s)				
11	Program Term	Current 1/1/99-6/30/00	Proposed 7/1/00-6/30/01	Proposed 7/1/00-6/30/01	Proposed 7/1/00-6/30/02
12	**Expenditures**				
13	Salaries & Benefits	$202,116	$137,741	$137,741	$275,482
14	Operating Expense	$148,980	$110,930	$110,930	$221,860
15	Capital Expenditure	$10,021	$1,600	$1,600	$3,200
16	**Subtotal**	$361,117	$250,271	$250,271	$500,542
17	Indirect Percentage	6%	4%	4%	
18	Indirect Cost (Line 16 X Line 17)	$22,309	$9,660	$9,660	$19,320
19	Total Expenditures	$383,426	$259,931	$259,931	$519,862
20	**DHS Revenues**				
21	General Fund	$383,426	$259,931	$259,931	$519,862
22					
23					
24					
25					
26					
27					
28					
29	TOTAL DHS REVENUES	$383,426	$259,931	$259,931	$519,862
30	**Other Revenues**				
31					
32					
33					
34					
35					
36	Total Revenues				
37	Full Time Equivalent (FTE)				
39	Prepared by: Martha Ryan		Telephone No.: (415) 546-6756 X20		Date 4/19/2000
40	DHS-CO Review Signature:	____________________			
41	DHS #1				2/1/2000

Source: Department of Human Services

Appendix B, Page 4
Document Date: April 19, 2000

Program Name: Housing Assistance
(Same as Line 9 on DHS #1)

Operating Expense Detail

Expenditure Category	TERM Current 1/1/99-6/30/00	Proposed 7/1/00-6/30/01	Proposed 7/1/01-6/30/02	TOTAL Proposed 7/1/00-6/30/02
Rental of Property	$20,160	$12,000	$12,000	$24,000
Utilities(Elec, Water, Gas, Phone, Scavenger)	$3,600	$2,400	$2,400	$4,800
Office Supplies, Postage	$5,040	$960	$960	$1,920
Building Maintenance Supplies and Repair				
Printing and Reproduction	$1,800	$960	$960	$1,920
Insurance	$1,800	$750	$750	$1,500
Staff Training	$1,400	$1,500	$1,500	$3,000
Staff Travel-(Local & Out of Town)	$2,160	$960	$960	$1,920
Rental of Equipment				
CONSULTANT/SUBCONTRACTOR DESCRIPTIVE TITLE				
OTHER				
Support Services to Clients - Transportation	$3,330	$2,750	$2,750	$5,500
Emergency Housing	$8,100	$4,500	$4,500	$9,000
Emergency food	$2,790	$2,750	$2,750	$5,500
Rental Assistance	$88,000	$75,000	$75,000	$150,000
Community Health Worker Stipend	$10,800	$5,400	$5,400	$10,800
Client credit checks		$1,000	$1,000	$2,000
TOTAL OPERATING EXPENSE	$148,980	$110,930	$110,930	$221,860

DHS #3 2/1/2000

	A	B	C	D	E	F	G	H
1							Appendix B, Page 2	
2							Document Date: 4/19/2000	
3								
4	Program Name: Housing Assistance							
5	(Same as Line 9 on DHS #1)							
6								
7			Salaries & Benefits Detail					
8								
9								
10								
11	TERM	Current 1/1/99-6/30/00		Proposed 7/1/00-6/30/01		Proposed 7/1/01-6/30/02		Proposed 7/1/00-6/30/02
12	POSITION TITLE	FTE	SALARIES	FTE	SALARIES	FTE	SALARIES	TOTAL
13	Housing Program Coordinator	0.75	$45,900	0.75	$32,281	0.75	$32,281	$64,562
14	Housing Soecialist	2.00	$77,112	2.00	$55,000	2.00	$55,000	$110,000
15	AfterCare Case Manager	1.00	$41,310	1.00	$27,500	1.00	$27,500	$55,000
16								
17								
18								
19								
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21								
22								
23								
24								
25								
26								
27								
28								
29								
30	TOTALS		$164,322		$114,781		$114,781	$229,562
31								
32								
33	EMPLOYEE FRINGE BENEFITS	0.23	$37,794	0.20	$22,960	0.20	$22,960	$45,920
34								
35								
36	TOTAL SALARIES & BENEFITS		$202,116		$137,741		$137,741	$275,482
37	DHS #2							2/1/2000

Item 7 – File 01-0550

Department: San Francisco Community College District (SFCCD)

Item: Ordinance appropriating $700,000 of interest earned from Series 1999A and Series 2000A General Obligation Bonds for Education to fund the construction of a new facility for the Extended Opportunity Program and Services (EOPS) for the San Francisco Community College District (SFCCD).

Amount: $700,000

Source of Funds: Interest earnings attributable to Series 1999A and Series 2000A General Obligation Bonds for SFCCD Educational Facilities.

Description: On June 3, 1997, a total of $50,000,000 in General Obligation Bonds for the acquisition, construction, and/or reconstruction of San Francisco Community College District (SFCCD) educational facilities was approved by San Francisco voters. The first series of Educational Facility Bonds (Series 1999A) was issued on June 16, 1999 in the amount of $20,395,000. Bond proceeds from the first series of Education Facility Bonds were appropriated by approval of the Board of Supervisors on October 18, 2000 (File 99-1573). The second series of Educational Facility Bonds (Series 2000A) was issued on June 14, 2000 in the amount of $29,605,000. Bond proceeds from the second series of Educational Facility Bonds were appropriated by approval of the Board of Supervisors on November 17, 2000 (File 00-1723). [1]

The proposed ordinance would appropriate $700,000 in interest earnings attributable to the $50,000,000 in General Obligation Bonds to fund the construction of a new facility for the Extended Opportunity Program and Services (EOPS). According to Mr. Peter Goldstein of the SFCCD, the EOPS provides services to primarily low-

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[1] Series 1999A Bonds in the amount of $20,395,000 plus Series 2000A Bonds in the amount of $29,605,000 equals the full balance of the $50,000,000 in General Obligation Bonds.

income students who would not be able to attend college without such services. According to Mr. Alvin Jenkins of the SFCCD, the SFCCD does not pay tuition for EOPS students. However, according to Mr. Jenkins, all EOPS students qualify for a State Board of Governor's Fee Waiver (BOGW) to pay their tuition. The BOGW is processed by the SFCCD Financial Aid Office. The EOPS, operated by the SFCCD, has provided job skills training, occupational certificates and college degrees to students since 1970. Each student receives academic, personal and career counseling, as well as priority registration for SFCCD courses, assistance with the purchase of required textbooks and tutorial assistance. SFCCD's Extended Opportunity Program and Services (EOPS) will assist approximately 1,500 students between July of 2000 and June of 2001.

The new EOPS building would be located at the main SFCCD campus on Ocean Avenue on the site of the old EOPS building, which has recently been demolished in preparation for the new building. Mr. Goldstein reports that the EOPS has been temporarily relocated to Bungalos 609, 611, 613 and 615 on the main SFCCD campus during the period of construction of the new building. Mr. Goldstein's memorandum of April 5, 2001 to the Budget Analyst (Attachment I) provides details on the necessity for the new EOPS building.

In addition to the subject proposed appropriation of \$700,000 of interest earned on Bond proceeds for construction and contingency costs, the SFCCD has committed up to \$400,000 in State funds for the proposed project, bringing the total project budget to \$1,100,000. Of the \$400,000 in State funds, the SFCCD has expended \$164,754 since the project began in July of 1999. Attachment II, provided by the SFCCD, provides details for the \$164,754 in State funds expended by the SFCCD through April 4, 2001, including architectural and engineering costs. The expenditure of such State funds allocated to the SFCCD are not subject to Board of Supervisors approval. Mr. Goldstein reports that the architectural and engineering work for the new EOPS facility was done in-house by SFCCD staff.

Mr. Goldstein advises that, to date, none of the proposed $700,000 in interest earnings has been expended. According to Mr. Goldstein, construction of the new EOPS building is estimated to begin in May of 2001.

Budget: The summary budget for the EOPS facility is as follows:

Portion of Project	Expenditure of State Funds	Proposed Expenditure of Interest on GO Bond	Total Project Cost
Design and Project Preparation	$175,970	-	$175,970
Construction	62,542	629,925	692,467
Equipment	6,733	-	6,733
Project Management	100,000	-	100,000
Contingency	54,755	70,075	124,830
Total	**$400,000**	**$700,000**	**$1,100,000**

Attachment III, provided by SFCCD, contains additional budget details to support the summary budget above.

Comments: 1. According to Mr. Goldstein, the construction project to demolish the old and construct the new EOPS building was put out to bid in October of 2000. Out of the two firms that responded to the Invitation to Bid, Capital Modular bid $684,200, and Alpha-Bay Builders submitted two bids of $930,000 and $950,000. According to Mr. Goldstein, Capitol Modular was the lowest most responsive bidder and was selected by the SFCCD in December of 2000.

2. As noted in Attachment III, SFCCD has included $124,830 for contingencies ($54,755 plus $70,075) or approximately 11.35 percent of the total project cost of $1,100,000.

3. City departments, and non-city entities like the SFCCD, responsible for expenditure of General Obligation Bond proceeds are required by the General Obligation Bond Accountability Reports Ordinance (Part I of the San Francisco Administrative Code, Article VIII, Sections 2.70 through 2.74) (the "Accountability

Ordinance") previously approved by the Board of Supervisors to submit formal reports on the actual expenditure of Bond proceeds to the Board of Supervisors. According to Mr. Dave Sanchez of the City Attorney's Office, pursuant to Section 2.71(a) of the Accountability Ordinance, the SFCCD is required to provide such reports with respect to its expenditure of Series 2000A Bond proceeds and the interest earned on Series 2000A Bond proceeds. The Series 1999A Bonds were issued on June 16, 1999, prior to Board of Supervisors approval of the Accountability Ordinance on February 18, 2000. However, the SFCCD has provided the Budget Analyst's Office with regular reports on its expenditure of Series 1999A Bond proceeds and the interest earned on Series 1999A Bond proceeds.

4. Mr. Goldstein reports that this proposed project was not specified in the original Bond projects because it had not yet been contemplated by the SFCCD in 1996, when original Bond projects were specified. However, the original Bond projects only accounted for the expenditure of available Bond proceeds and not interest earnings attributable to Bond proceeds. According to Mr. Sanchez, the proposed use of the interest earnings attributable to Bond proceeds for the EOPS facility is consistent with the project purposes for which the Bonds were originally approved by the voters (i.e., educational facilities) and, therefore, is a permissible use of bond interest proceeds. The SFCCD Board approved the replacement of the EOPS facility because it is both consistent with the original purpose of the Bonds and, according to Mr. Goldstein's memorandum of April 5, 2001 to the Budget Analyst (Attachment I), the existing 30-year old EOPS facility is in a condition not suitable for continued use as an education facility.

Recommendation: Approve the proposed ordinance.

CITY COLLEGE OF SAN FRANCISCO

VICE CHANCELLOR OF FINANCE & ADMINISTRATION

33 GOUGH STREET • SAN FRANCISCO, CA 94103-1214 • 415. 241.2229 • FAX 415. 241.2344

April 5, 2001

Office of the Budget Analyst
Board of Supervisors
City & County of San Francisco
San Francisco, Ca. 94102

Dear Mr. Rose,

I am writing to you to provide additional information related to the College's request that $700,000 of the earned interest attributable to the 1997 General Obligation Bond Issue for Education be appropriated. These funds are needed for a portion of the cost of a new facility for the Extended Opportunity Program and Services (EOPS) located at the main campus on Ocean Avenue. In addition to this proposed allocation, the College is committing up to $400,000 in state funds to the project.

EOPS has existed at City College since 1970. The program serves primarily low-income students who would not be able to attend college without such services by assisting those students in their efforts to obtain job skills, occupational certificates, and college degrees. City College will serve approximately 1500 EOPS students during the 2000-2001 academic year. Each student receives academic, personal and career counseling, as well as priority registration, assistance with the purchase of required textbooks, and tutorial assistance. More than 85% of these students are members of underrepresented groups.

The former facility that EOPS occupied was a temporary trailer-type building constructed during the 1960's. After more than thirty years of use the facility had outlived its expected life and suffered from dry rot and holes through the floor. The facility also had problems related to lead paint and asbestos. It was a worn out shell that sent a very poor message to some of the College's neediest students. The program has been temporarily relocated to newer modular units to make room for construction.

If you need any additional information please call me at 241-2229.

Sincerely,

Peter Goldstein
Vice Chancellor for Finance & Administration

City College EOPS Project

Architectural and Engineering	$67,529
Demolition / Site Preparation	$62,542
State Architect Fees	$3,600
Inspection Services	$1,050
Insurance for Contractor	$18,270
Bid Preparation	$5,030
Equipment	$6,733
Total spending through 4/4/01	$164,754

State Funds Allocated for EOPS Project	$400,000
Total expenditures through 4/4/01	$164,754
Amount available	$235,246

Remaining state funds are available for expenditures incurred prior to Board of Supervisors approval, and for additional contingencies.

Source: SFCCD

EOPS BUDGET

	Expenditure of State Funds	Proposed Expenditure of Interest on GO Bond
DESIGN AND PROJECT PREPARATION		
Architecture and Engineering	$ 80,000	
State Architecture Fees/Permits	7,200	
Department Relocation Expenses	40,500	
Inspection Services and Testing	30,000	
Insurance for Contractor	18,270	
Subtotal Design and Project Preparation	$ 175,970	$ 0
CONSTRUCTION		
*Mobilization, Demolition, Site Clearance and Abatement	62,542	
*Building Construction		614,925
Data/Telecommunication		15,000
Subtotal Construction	$ 62,542	$ 629,925
EQUIPMENT		
*Equipment	$ 6,733	
Subtotal Equipment	$ 6,733	$ 0
PROJECT MANAGEMENT		
District Project Manager	50,000	
Construction Manager (Consultant)	50,000	
Subtotal Project Management	$100,000	$ 0
CONTINGENCY		
Project Contingency	$ 54,755	
Construction Contingency		70,075
Subtotal Contingency	$ 54,755	$ 70,075
TOTAL	$400,000	$700,000

* Asterisked items equal the construction contract

Source: SFCCD

Item 8 – File 01-0515

Department: Department of Public Health (DPH) Environmental Health Section Consumer Protection Program

Item: Ordinance amending the San Francisco Municipal Business and Tax Code by amending Sections 35, 120, 248 and 249.1, relating to fees for licenses or permits for inspections conducted by the Department of Public Health, effective July 1, 2001.

Description: The proposed amendments to Sections 35, 120, 248 and 249.1 of the Municipal Business and Tax Code would:

- Provide for an increase in permit and annual license fees for FY 2001-2002 for restaurants, markets, bars, bakeries, and miscellaneous other food establishments, laundries and cleaning and dyeing businesses ranging from zero percent to 102 percent as shown in the Attachment provided by DPH (see Comment 2).
- Provide for annual increases of permit and license fees in Sections 248 through 249.2 of the Business and Tax Code beginning with FY 2002-2003 based on cost of living adjustments in DPH staff costs and expenses, subject to Board of Supervisors approval. The Controller's Office would review such proposed increases and file a report with the Board of Supervisors no later than May 15 each fiscal year.

Comments: 1. The Retail Food Program under the DPH's Environmental Health Section's Consumer Protection Program, has responsibility to issue one-time permits and annual licenses to (a) approximately 6,726 businesses that prepare and/or sell food and (b) approximately 426 laundries and cleaning and dyeing firms. According to Dr. Rajiv Bhatia from DPH, the DPH charges a one-time permit fee to operate a business, which signifies that the business meets the Health Code requirements. Dr. Bhatia states that additionally an annual license fee is charged to businesses, which is intended to fund the DPH's safety enforcement efforts. The regulated businesses currently pay permit and license fees based on the size and complexity of the operations and such fees

are intended to fully recover DPH costs associated with enforcement of safety laws. However, according to Ms. Monique Zmuda from the DPH, while the permit and license fees have not increased since 1997, enforcement costs have increased. Ms. Zmuda advises that for FY 2001-2002, for example, program enforcement costs estimated at $4,495,097 will exceed the estimated permit and license fee revenues to be received of $3,815,734 (based on projected FY 2000-2001 permit and license fee revenues) by an estimated $679,363, based on current fees, the current staffing levels, current collection patterns and the number of food-related businesses and laundries and cleaning and dyeing businesses. Ms. Zmuda states the unrecovered program costs are paid by the General Fund.

Ms. Zmuda notes that although the proposed permit and license fee increases would not fully fund DPH costs associated with enforcement of safety laws, assuming the same current staffing levels, current collection patterns and the number of food-related, laundries and cleaning and dyeing businesses, the proposed fee increases would reduce the amount of the General Fund support needed for the DPH safety enforcement efforts from $679,363 to $143,179 (see Comment 5). According to Dr. Bhatia, the DPH sets the permit and license fees per business to reflect the average costs of inspecting that particular class of business.

2. Ms. Zmuda states that the DPH met with the Small Business Commission in March of 2001 regarding the proposed permit and license fee increases. The Small Business Commission requested that the proposed permit and license fee increases be reduced for small businesses to minimize the financial impact on small businesses. Ms. Zmuda advises that the DPH incorporated the Small Business Commission recommendations into the proposed permit and license fee increases. For example, the DPH did not increase the permit and license fees for restaurants with less than 1,000 square feet as shown on page five of the Attachment. According to Dr. Bhatia, the Small Business Commission approved the DPH recommended fees on April 9, 2001.

3. Currently, the Retail Food Program has 15.5 FTE 6120 Environmental Health Inspectors, 12 FTE 6122 Senior Environmental Health Inspectors, 5.29 FTE 6124 Principal Health Inspectors as supervisors, 4.0 FTE 1426 Clerk Typists and 0.63 FTE 6127 Director of the Retail Food Program[1] for a total of 37.42 FTEs. The principal activities of the Retail Food Program include conducting routine inspections, reviewing applications and plans for new establishments, investigating complaints and scheduling administrative hearings for the owners of establishments who fail to meet the mandated minimum safety standards for food-related businesses as well as laundries and cleaning and dyeing businesses. According to Ms. Zmuda, the proposed permit and license fee increases would allow the Retail Food Program to continue the current level of operation, which includes the 37.42 FTEs and, at a minimum, making three routine inspections of each food-related, laundry and cleaning and dyeing business annually. The tables on page three of the Attachment, indicate the current staffing level and work load of the Health Inspectors.

4. According to Ms. Zmuda, the proposed permit and license fee increases were set to realize a maximum increase in annual revenues of $639,750 given the current type and volume of businesses. However, according to Ms. Zmuda, the expected amount of additional permit and license fee revenues to be received is $536,184 in the first year of the new permit and license fees based on past collection patterns, variations in the inventory of businesses, and the lag-time between the effective date of the fee increases and the annual billing cycle on September 1 of each year for food product and marketing businesses, April 1 each year for food preparation and related service businesses and January 1 each year for laundries and cleaning and dyeing businesses. Ms. Zmuda estimates that under the proposed permit and license fee increases, the FY 2001-2002 projected revenues of $4,351,918, reflects an increase of $536,184 or 14 percent over the projected revenues for FY 2000-2001 of $3,815,734. Page five of the Attachment, shows the

[1] According to Dr. Bhatia, the 0.63 FTE 6127 Director also spends 0.37 FTE of the Director's time as the Director of the Consumer Protection Program.

current fee schedule and proposed fee schedule and the maximum increased revenues of $639,750 that could be realized if the proposed permit and license fee increases are approved. However, as previously stated, the expected increased revenues to be received in year one is $536,184.

5. The table below compares the projected FY 2001-2002 costs for the Environmental Health Section Consumer Protection Program, the projected revenues under (a) the existing permit and license fee levels and, (b) the proposed increased permit and license fee levels based on the propose ordinance. As shown in the table, the proposed ordinance would increase permit and license fee revenues by an estimated $536,184, from $3,815,734 (based on projected FY 2000-2001 permit and license fee revenues) to $4,351,918, an increase of 14 percent. Based on the estimated increased revenues, projected net General Fund Support (Program costs less Program revenues) would decrease by the amount of the estimated increased revenues of $536,184 from $679,363 to $143,179, a decrease in General Fund Support of 78.9 percent.

	Projected FY 2001-2002 Costs and Revenues at Current Fee Levels	Projected FY 2001-2002 Costs and Revenues at Proposed Increased Fee Levels	Increase/(decrease) in Revenues and Net General Fund Costs due to the Proposed Increased Fee Levels
Projected FY 2001-2002 Program Costs	$4,495,097	$4,495,097	-
Projected FY 2001-2002 License & Permit Fee Revenues	3,815,734	4,351,918	536,184
Net General Fund Cost	$ 679,363	$ 143,179	($536,184)

6. Ms. Zmuda advises that the DPH surveyed five other Bay Area jurisdictions, including San Mateo County, the City of Berkeley, Contra Costa County, Alameda County and Santa Clara County, to obtain comparable permit and license fees to assist the DPH in establishing the proposed permit and license fee increases. Ms. Zmuda advises that the proposed permit and license fees are consistent with those charged in other local jurisdictions in California.

7. According to Ms. Zmuda, the Health Commission approved the proposed permit and license fees schedule on March 6, 2000. As noted above, the permit and license fees have not been revised since 1997.

8. According to Ms. Zmuda, the DPH based its FY 2001-2002 budget on the proposed permit and license fee revisions.

Recommendation: Approve the proposed ordinance.

San Francisco Department Of Public Health

Environmental Health Section Consumer Protection Program

Proposed Fee Schedule Amendment

(Revised April 18th, 2001)

(Amending Section(s) 3.5, 120, 248 and 249.1 of the San Francisco Municipal Code, Business and Tax Regulations; Effective Date: July 1, 2001)

Background

An estimated 156 million meals are served annually by San Francisco's approximately 6700 restaurants and other retail food operations. Ensuring the sanitation of these establishments and the safety of food preparation practices is an essential environmental health service provided by the San Francisco Department of Public Health (SFDPH). Success in this mission preserves the health and well being of San Francisco's residents, workers, and visitors.

As the local health enforcement agency, the Department of Public Health has the authority to enforce the California Uniform Retail Food Facilities Law. The Department's Environmental Health Section's Consumer Protection Program permits and inspects all businesses that prepare and/or sell food. Activities associated with this oversight role include reviewing permit application and facility design, conducting routine and follow up inspections, and providing outreach and education to businesses. This program also inspects the cities commercial laundries.

The San Francisco Municipal Code requires food establishments to obtain permits from SFDPH and pay an annual license fee. Regulated businesses currently pay fees based on size and complexity of operations. The fees fund the enforcement of the food safety laws and are intended to fund the full cost of the program. The cost of the SFDPH food safety program increases annually reflecting both increased staff cost and expenses; however, the last program fee increase was approved by the Board of Supervisors in January of 1997.

The current general fund contribution to the program is substantial, and program associated permit and license fees would need to increase in order for the services to private establishments to be fee supported in FY 2001-02. Therefore we propose:

- An increase of annual fees for FY 2001-02 totaling S639,750 effective July 1, 2001, and
- An annual fee increment in each subsequent year based upon actual program cost increases as certified by the office of the controller.

SFDPH further recognizes that we have an obligation to provide our professional services with maximum efficiency and have developed procedures to evaluate our programs quantitatively and qualitatively. SFDPH also provides additional services in the interest of our mission of food safety. We have recently developed a multi-lingual food handler safety-training program both to help establishments meet State requirements as well as a means to prevent lapses in food safety. Our staff also maintain expertise in diverse cultural food practices and participate in the investigation of food-borne disease outbreaks.

Retail Food Program Activities

The food inspection program is staffed by 28 State licensed Environmental Inspectors assigned to four district offices, supervised by Principal Inspectors. The principal activities conducted by the staff include conducting routine inspections, reviewing applications and plans for new establishments, investigating complaints and scheduling administrative hearings for the owners of establishments who fail to meet mandated minimum standards.

Inspectors are assigned to specific subdistrict areas within the four district offices. The number of establishments within each subdistrict area is 275—300. On average and across all categories of businesses, three routine inspections are conducted annually. Typically routine inspections trigger re-inspections to confirm compliance with violations noted during the initial inspection. It is not unusual for an inspector to visit an establishment 5 or 6 times annually which include the initial, follow up, and complaint investigation inspections.

Inspectors also respond to alleged food borne illness complaints. While the number of food born illness complaints received by the Department of Public Health has averaged approximately 300 over the past three years, over 60% of these complaints have involved a single person. In 1998, the State Department of Health Services recognized only 3 food borne disease outbreaks in San Francisco.

Justification for the Proposed Fee Increase

The anticipated FY 2001-02 program budget is shown in the Table 1. The program is expected to have $679,363 in un-recovered costs in FY 2001-02 based on current fees, inventory and collection patterns. This figure represents the cumulative gap between costs and revenues since 1997 and an estimated 5% cost increase between 2000-01 and 2000-02.

The expenditure budget is based on 27.5 field staff (Environmental Health Inspectors) with associated managerial operating, and administrative costs. The workload analysis for the field staff is provided in Table 2 below dis-aggregated by the major categories of establishments and programs.

In this workload Analysis, 1776 hours represented one FTE following Title 27 of the California Code of Regulations, governing Certified Unified Program Agencies. The workload reflects only the time associated with health code assurance at facilities that are responsible for annual fees. While permits are also issued to certain non-profit organizations and institutions, program

activities associated with this work are not funded by license fees and therefore excluded from the analysis. Inventories of establishments have remained fairly constant and we expect the current level of staffing to be required for the foreseeable future.

Table 1. Projected FY 2001-02 Food Program[1] Costs

Budget Category	FTE	Annual Expense
6122 Sr. Health Inspector	12	997,704
6120 Health Inspector	15.5	1,198,166
6124 Principal Health Inspector	5.29	492,162
1426 Clerk Typist	4	182,696
6127 Director	0.63	62,491
Premium Pay		31,085
Total Salaries		2,964,304
Mandatory Fringe Benefits		622,504
Prorated operating costs		908,289
Projected Program Costs 01-02		4,495,097
Scenario 1: Current Fee Schedule		
Program Costs		4,495,097
Projected Revenue		3,815,734
Un-recovered Program Costs (projected)		679,363
Scenario 2: Proposed Fee Schedule		
Program Costs		4,495,097
Projected Revenue (01-02 estimate)		4,351,918
Un-recovered Program Costs (projected)		143,179

[1]Food program also includes the annual inspection of 426 commercial laundries

Table 2. Work Load Analysis 2001 By Facility Category

Category	#Facilities	#Inspections[1]	#Violations[1]	#Enforcement Actions	Total Hours	FTE
Restaurants/Food Preparation Facilities	4301	16,000	191,000	147	30,216	17
Markets With and Without Processing	1,479	3,100	15,000	85	6,200	3.5
Bars/Taverns	397	1,300	7,191	5	2,475	1.4
Laundries	426	500	N/A	N/A	1000	0.6
Other Establishments	549	950	8,000	10	1,776	1.0
Training Program					1776	1.0
Noise & Smoking Program		539	204	6	1,776	1.0
Plan Check Program		2928			3,552	2.0
TOTAL	7,152	25,317	221,395	253	48,771	27.5

[1]*Totals Are based Inspections And Violations recorded into section database*

The current and proposed new fee schedule is presented in Table 3. The required revenue increase has been distributed among category specific application and license fees proportional to expected program efforts. The above fee schedule also reflects a deferral of fees increases for the smallest restaurants consistent with the recommendation made by the San Francisco Small Business Commission on March 12th, 2000. Special events permit fees (e.g. food sales at street fairs) were not changes as they were recently adjusted in FY2000-01.

The charges are set to realize a maximum increase in annual collections of $639,750; however, this entire amount is unlikely to be realized in the first year based on past collections, variations in inventory, and the lag between the fee increases and the annual billing cycle. The FY 2001-02 projected revenues of $4,351,918 reflects a projected increase $536,184 over the projected revenues of $3,815,743 for FY 00-01.

The Department has surveyed regional counties to gauge if the proposed fees are within the range of those charged elsewhere. We determined that the revised fees are consistent with those charged by other local jurisdictions in California.

Summary and Benefits

In summary, the proposed ordinance allows the Retail Food Program to be fully fee supported beginning FY 2001-02 and includes the following specific changes:

- An annual license fee adjustment as described in Table 3.

- New legislation that allows, beginning FY 2002-03, for all application and permit fees to be routinely increased by three percent or the actual proportion of the city approved increases in staff salaries and benefits. (The Controller of the City and County of San Francisco will ensure the annual fee increase accurately reflects actual costs to operate the program.)

This proposed fee increase will allow the Retail Food program to continue the current level of operation. Should the fee increase not be approved, the department may no longer be able to continue to subsidize program operations at the current level of staffing. This may result in increased inspector workload load or fewer annual inspections per facility, permit processing delays, and less time devoted to food safety education and prevention activities. Maintaining our present staffing and commitment allows us to be responsive to regulated businesses and helps to prevent illegal and often non-compliant food operators from serving food in San Francisco. A fully staffed program helps protect residents, workers, and visitors from food borne illness. Consequently, the program also supports benefit the economy and the prestige of San Francisco.

Table 3. Current (00-01) and Proposed (01-02) Fee Schedule

Code	Program Element/Description	Estimated Inventory	Current Fees	Proposed Fees	% Increase Fees	Maxim New F
1001	Restaurant, less than 1000 sq ft	1,313	510	510	0%	
1003	Restaurant, 1000 - 2000 sq ft	1,202	555	674	21%	143,
1004	Restaurant, more than 2000 sq ft	1,043	563	773	37%	219,
1005	Bar / Tavern / Lounge	397	535	605	13%	27,
1006	Take - Out	630	535	611	14%	47,
1007	Fast food establishment	46	580	693	19%	5,
1020	Catering Facility	36	535	595	11%	2,
1021	Temporary Food Facility - 45 day	2	85	95	12%	
1024	Commissary	10	535	580	8%	[illegible]
1025	Retail Food Vehicle	34	408	514	26%	3,
1028	Pushcart - Private Property	126	406	483	19%	9,
1029	Stadium Concession - Permanent	190	391	410	5%	3,
1031	Vending Machine Companies	13	66	116	76%	
1033	Food Safety Training	1,200	89	110	24%	25,
1040	Boarding House	17	129	158	23%	[illegible]
1041	Bed and Breakfast	8	535	655	22%	[illegible]
1044	School Cafeteria - Private	54	175	193	10%	[illegible]
1045	Hospital Kitchen - patient food service	5	580	616	6%	
1055	Candy Counter - Less than $1000 inventory	302	50	69	38%	5,
1056	Candy Counter - More than $1000 inventory	7	358	491	37%	[illegible]
1060	Retail Food Markets w/o Food Prep - Less than 5000 sq ft	740	348	373	7%	18,
1061	Retail Food Markets w/o Food Prep - less than 10000 sq ft	49	355	490	38%	6,
1062	Retail Food Markets w/o Food Prep -less than 20000 sq ft	32	362	612	69%	8,
1063	Retail Food Markets w/o Food Prep - More than 20000 sq ft	23	369	744	102%	8,
1064	Retail Food Markets w/ Food Prep - Less than 5000 sq ft	228	355	400	13%	10,
1065	Retail Food Markets w/ Food Prep - less than 10000 sq ft	2	375	520	39%	[illegible]
1066	Retail Food Markets w/ Food Prep -less than 20000 sq ft	5	375	635	69%	1,
1067	Retail Food Markets w/ Food Prep - More than 20000 sq ft	8	382	757	98%	3,
1068	Retail Bakery - Less than 2000 sq ft	26	354	410	16%	1,
1069	Retail Bakery - More than 2000 sq ft	8	361	423	17%	[illegible]
1070	Produce Stand	11	358	412	15%	[illegible]
1071	Certified farmer's market	5	358	416	16%	[illegible]
1080	Wholesale food market - produce	33	358	400	12%	1,
1090	Food product manufacture/processing	51	358	412	15%	2,
	Application Fees	1000	174	195	12%	21,
	Plan Check Fees(hourly)	2216	89	110	24%	46,
6021	Laundry - Automatic	293	17	19	12%	[illegible]
6020	Laundry - Hand	9	51	57	12%	
6022	Laundry - Wash	124	110	123	12%	1,
6021	Washing Machines	8,800	6	7	17%	8,
	Total Projected Increase in Fees Charged					$ 639,

DEFINITIONS

ACTIVITY	DEFINITION
Initial Inspections	Site visits to food establishment conducted an average of three times annually for food preparation establishments.
Re-inspection (Follow-ups)	Site visits to food establishments conducted to confirm compliance with violations identified during the initial inspection.
Enforcement Actions	Compliance measures taken when educational efforts fail to result in the correction of improper food handling practices or insanitary conditions. Measures include suspension or revocation of permit to operate or referral to the City Attorney when appropriate.
Administrative Time	Office time spent recording data, making appointments, training, equipment maintenance, etc.
Violations	Conditions or practices in violation of the San Francisco Health Code, California Health and Safety Code, State Labor Code and other laws and statutes.
Noise & Smoking Program	This is a complaint investigation program with no set inventory of establishments. Program enforces the provisions of the S.F. State Health Codes and. California Labor Code Relating to Noise and Smoking Restrictions.
Plan Check Program	This is a program devoted to the review of blueprints on new and re-modeled food facilities for compliance with the California Health and Safety Code
Restaurant	Facility that prepares and serves food.
Markets	Facilities that sell packaged food products or simple food preparation such as sandwich making.

Item 9 - File 01-0551

Department:	San Francisco Public Library (SFPL)	
Item:	Ordinance appropriating $1,549,886 for the modification, maintenance, and repair of the Main Library.	
Amount:	$1,549,886	
Source of Funds:	Proposition E, Library Preservation Fund	$1,065,000
	Library Improvement Bond Funds	484,886
	Total	$1,549,886[1]

Description: In 1999 the Public Library retained Ripley and Associates under a Request for Proposal Process at a cost of $255,773 to conduct an independent Post Occupancy Evaluation (POE) of the Main Library to assess the Main Library's functionality. According to Mr. George Nichols from the Public Library, the consultant had one architect and two library consultants on its team. Mr. Nichols states that the POE report based on the consultant team's findings was issued in January of 2000, outlining suggestions for improvements to the Main Library facilities which would cost an estimated $28,000,000, including $10,300,000 for the renovation and use of Brooks Hall[2]. According to Mr. Nichols, the POE report also identified a number of facility problems as a result of the original construction of the new Main Library[3] that are separate and apart from the $28,000,000 in facility improvements recommended in

[1] The City Charter specifies that the Library Preservation Fund, approved by the voters as Proposition E in 1994, shall receive a minimum (baseline) appropriation amount from the General Fund, and such required baselines are adjusted by changes in the General Fund discretionary revenues. The Library Improvement Bond Fund monies are from the voter-approved 1988 Library Improvement Bond for $109,527,000. Mr. Nichols advises that of the original 1988 Library Improvement Bonds, $102.5 million was expended on the Main Library, and $4,831,284 was expended on the Branch Libraries for a total expenditure of approximately $107,331,284. Of the $4,831,284 expended on Branch Libraries, $359,641 for the Mission Branch, $1,826,506 for the Chinatown Branch, $1,005,066 for the Sunset Branch, $999,071 for the Park Branch and $641,000 for the Presidio Branch.

[2] Brooks Hall is an underground facility connected to the Bill Graham Auditorium. Mr. Nichols states that the Public Library currently uses a portion of Brooks Hall for a variety of purposes including remote storage of government documents, back-issues of hard bound periodicals, City Archives, gift collections pending review and processing, the Public Library's book redistribution program and storage for furniture, fixtures, and equipment.

[3] According to Mr. Nichols, the City and the Contractor reached a settlement regarding these issues and the Contractor paid the City $1.5 million, which was deposited into the Library Improvement Bond Fund. According to Mr. David Norman at the City Attorney's Office, except for any latent defects, the settlement absolved the Contractor of any further obligation.

the report. Mr. Nichols states that the consultants did not include specific recommendations or cost estimates for these issues, but they did suggest that the Library take action to correct these building and system deficiencies.

According to Mr. Nichols, after the issuance of the POE, the Main Library Staff and the Bureau of Architecture of the Department of Public Works (DPW) identified 16 projects estimated to cost $1,549,886 from the POE Report, which could be completed independent of other recommendations in the POE report that are more complicated to execute. The proposed ordinance would appropriate $1,549,886 for the proposed sixteen projects highlighted in Attachment I, provided by the Public Library. Mr. Nichols states that the proposed sixteen projects will correct significant structural and building system deficiencies, including several life and safety issues, improve the building's functionality and operations and enhance services provided to the public.

According to Mr. Nichols, the Public Library grouped the sixteen proposed projects into two groups (Group 1 Projects and Group 2 Projects) because eleven projects included in the Group 1 Projects, as highlighted in Attachment I, would be put out to bid as one construction project and the five projects included in the Group 2 Projects, also highlighted in Attachment I, would be conducted independent of the other proposed projects and put out to bid individually or the work would be handled in-house by Department of Public Works employees. Construction contracts are awarded to the lowest, responsible bidder. Mr. Nichols advises that DPW will manage the Group 1 Projects and the Public Library will manage the Group 2 Projects. Mr. Nichols advises that no contracts have been awarded as of the writing of this report.

Mr. Nichols states that at the February 6, 2001 Library Commission meeting, the Library Commission approved the proposed $1,549,886 ordinance for the renovation and repairs, highlighted in Attachment I, to the Main Library in FY 2000-2001.

Budget:

The summary budget for the requested supplemental appropriation is as follows:

Group 1 Projects:	$500,435
Design Contingency	50,044
General Conditions	50,044
Contractor's Overhead and Profit	90,078
Construction Contingency	103,590
Subtotal Construction Costs	**$794,191**
DPW Project Management (35% of Construction Costs)	277,967
Subtotal Group 1	**$1,072,158**
Group 2 Projects:	**336,825**
Project Reserve (Groups 1 and 2)	**140,903**
Total	$1,549,886

Attachment II, provided by the Public Library, contains budget details to support the summary budget.

Comments:

Group 1 Projects

1. Mr. Nichols advises that DPW prepared costs estimates for the proposed eleven Group 1 Projects based upon preliminary schematic designs and/or cost information provided by manufacturers and vendors. Mr. Nichols advises that the Public Library will establish a work order with DPW for the Group 1 Projects in the amount of $609,601 ($794,191 less $103,590 in Construction Contingency Costs) and will require DPW to set up a sub-work order for each of the individual projects and have the contractor bill DPW by project. Mr. Nichols states that establishing such sub-work orders will permit the Public Library to track spending by project as well as a given project's progress. Mr. Nichols further states that the $103,590 for Construction Contingency costs will be work ordered to DPW only if required. As noted above, construction contracts are awarded to the lowest, responsible bidder.

2. As noted above, DPW will manage the Group 1 Projects, which will be bid as a single project through a construction bid process. DPW management costs are estimated at 35 percent of the total construction costs of $794,191 or $277,967. Mr. Nichols advises that the Public

Library will establish a second work order with DPW for the project management costs.

3. According to Mr. Nichols, DPW will not issue Invitations to Bid until approximately four months after approval of the subject ordinance because DPW will take four months to prepare construction documents. DPW is expected to award the contract three months after the invitations are issued. Mr. Nichols states that construction will begin shortly after the contract is awarded and is expected to take six months to complete. Mr. Nichols estimates the construction will begin January of 2002 and finish by the end of June 2002.

4. Mr. Nichols advises that total Group 1 Project costs of $1,072,158, will be funded with $1,065,000 from Library Preservation Fund, Proposition E monies and $7,158 from Library Improvement Bond Fund monies for a total of $1,072,158. According to the Controller's Six-Month Budget Status Report issued on February 7, 2001, there is an additional unanticipated General Fund contribution to the Library Preservation Fund, Proposition E of $1,065,000 for FY 2000-2001.

Group 2 Projects

5. Mr. Nichols advises that three of the five Group 2 Projects will be administered by DPW and Department of Telecommunication and Information Services (DTIS). Therefore, the cost estimates for the three projects consisting of (1) the replacement of the damaged tabletops; (2) the fabrication and installation of doorstops; and, (3) the enhancement of the Main Library's Radio Repeater System were determined by obtaining proposals from DPW's Bureau of Building Repair and DTIS.

DPW's costs estimate of $30,000 for tabletop repair is based on resurfacing 60 damaged wood-veneered tabletops with plastic laminate at a cost of $500 per tabletop ($500 x 60 tabletops = $30,000); $500 per tabletop includes disassembling the table, transporting the tabletops to and from DPW's shop, attaching the laminate and reinstalling the table top at the Main Library. According to the City Librarian Ms. Susan

Hildreth, the subject tables in need of tabletop repair are located in the Main Library's public area and used for studying and reading. DPW's estimate of $6,825 for the doorstop fabrication and installation includes $3,575 (65 hours at $55 per hour) for labor and $3,250 for the doorstops (65 doorstops x $50 for each doorstop).

According to Mr. Nichols, the Radio Repeater System project estimated to cost $230,000 will be managed by DTIS and DTIS will contract out with Motorola, who has a subcontract with Mikom US, for the installation and testing of the equipment for the radio repeater system. The Radio Repeater System allows for radio transmission for communication purposes including safe evacuation of the public in case of emergencies. Ms. Jo Ann Hicks from the Emergency Communications Department advises that the City already has a contract with Motorola for emergency radio service at a cost of $42,332,124 for the City's 800 MHz Public Safety Radio System with a 10-yr master agreement that allows the City to purchase up to $1 million annually in additional equipment above and beyond the base contract price for 800MHz Public Safety Radio System, which would include the costs of the Main Library's Radio Repeater System project. Ms. Hicks further advises that Motorola was selected through a Request for Proposal Process. Therefore, a change order to the original contract with Motorola will be made in order to include the Main Library's Radio Repeater System so that radio transmissions can take place in all areas of the Main Library and in Brooks Hall. Mr. Nichols advises that $198,081.53 will be paid for the Radio Repeater System modifications with Motorola, with 10 percent of the contract amount for contingency costs or $19,808.15 (see Attachment II) and approximately 6.1 percent of contract costs for DTIS management or approximately $12,110.32. The total amount for the Radio Repeater System project is $230,000, which will be work-ordered to DTIS.

According to Mr. Nichols, the costs for the two remaining Group 2 Projects, the Signage Consultant project and the Audio/Visual System Design project were determined as follows:

(a) The estimate for the Audio/Visual System Design project of $20,000 was based on discussions with vendors who perform this type of work, as well as the knowledge and experience of the Public Library's audio/visual staff.

(b) The estimate for the Signage Design project of $50,000 was provided by DPW based on signage studies for similar buildings or projects. Mr. Philip Sowers from DPW states that the estimate was based on 500 hours of work at $90 per hour for $45,000 plus a contingency of $5,000 for a total cost of $50,000.

The Budget Analyst recommends reserving the funds appropriated for the Signage Consultant project in the amount of $50,000 and the Audio/Visual System Design project in the amount of $20,000, for a total reserve of $70,000, pending contract selection and submission of budget details to the Finance Committee including hours and hourly rates.

6. The Public Library, according to Mr. Nichols, will fund the Group 2 Project costs in the amount of $336,825, as well as the Project Reserves (monies reserved for unforeseen additional project costs) in the amount of $140,903 and $7,158 of the Construction Contingency Costs (see Comment 4), for a total cost of $484,886, funded from surplus Library Improvement Bond Fund monies.

7. The Budget Analyst notes that there is no clear distinction between the requested Project Reserves of $140,903 and the requested Contingency Costs totaling $153,634. As such, the Budget Analyst's Office recommends reducing the proposed supplemental appropriation for the Project Reserves as follows:

Proposed Supplemental Appropriation Request	Recommended Amount	Budget Analyst Recommended Reductions
$140,903	$0	$140,903

This would result in a reduction of $140,903 from the Library Improvement Bond Fund Monies from $484,886

to $343,983. Mr. Sowers disagrees with the Budget Analyst's recommended reduction of Project Reserve monies in the amount of $140,903, noting that the Project Reserve monies would provide room for adjustments to project budgets if costs are higher than currently estimated using the preliminary schematic designs. Ms. Hildreth states that the Public Library supports the request for Project Reserve monies.

8. According to Ms. Ludmyrna Lopez from the Mayor's Budget Office, the Library Improvement Bond Fund has an unappropriated balance of $4,200,000, including $2,195,716 in unappropriated bond funds, $1,500,000 from the settlement between the City and the Contractor of the Main Library and $504,284 in interest earnings. If the proposed ordinance is approved, and $484,886 is appropriated from the Library Improvement Bond Fund, the remaining balance would be $3,715,114.

9. According to Mr. Nichols, if the proposed ordinance is approved, the Public Library will issue Requests for Proposals for the Signage Design project and the Audio/Visual System Design project approximately six weeks after the appropriation of the funds. The Signage Design project is estimated to take six months to complete upon selection of a consultant. The Audio/Visual Design project is estimated to take four to six weeks to complete upon selection of the consultant. As stated above, the Budget Analyst recommends reserving the fund for the Signage Design project and the Audio/Visual Design project, pending selection of the consultants and budget details.

Mr. Nichols advises that the if the proposed ordinance is approved, the Public Library will establish (1) one work order with DPW for the replacement of the damaged tabletops and for the doorstop fabrication and installation; and, (2) one work order with DTIS for installation of a Radio Repeater System. Mr. Nichols further advises that the DPW and DTIS work ordered projects are expected to be completed within four months subsequent to the approval of this ordinance.

10. According to Mr. Nichols, the Public Library is proposing an additional $2,982,500 in funding in its FY 2001-2002 Department budget for three additional projects proposed in the POE. Attachment III, provided by the Public Library, describes the three projects and how the cost estimates were determined. According to Mr. Nichols, these improvements would be funded from the Library Improvement Bond Fund. Mr. Nichols advises that these improvements represent the top priorities following authorization of the proposed 16 projects contained in this legislation. The three additional projects were identified by staff from their initial review of the POE. Mr. Nichols further advises that such improvements to be included in the FY 2001-2002 budget, are still in the planning stages and will require detailed study to verify the POE cost estimates. The Capital Improvement Advisory Committee (CIAC) will review the three proposed capital improvement projects for FY 2001-2002 in the amount of $2,982,500 on April 18, 2001. The Budget Analyst will review these proposed projects in the FY 2001-2002 budget.

11. The CIAC reviewed and approved the Public Library's request for the proposed ordinance at its meeting on March 30, 2001. If the $2,982,500 is approved by the CIAC and subsequently approved by the Board of Supervisors in the FY 2001-2002 budget, and this proposed ordinance is approved, then the Public Library will spend a total of approximately $4,532,386 based on the POE report. Mr. Nichols advises that whether or not the Public Library pursues any additional renovations costing an estimated $23,467,614 ($28,000,000 less $4,532,386) beyond FY 2001-2002 will depend on the availability of funds, the Public Library's capacity to plan and implement proposed projects and decisions regarding planned uses of Brooks Hall.

Recommendations:

1. In accordance with Comment 5 above, amend the proposed ordinance to reserve $50,000 for the Signage Design Consultant project and $20,000 for the Audio/Visual Design project for a total reserve of $70,000, pending selection of the consultants and the submission of budget details, including hours and hourly rates.

2. In accordance with Comment 7 above, amend page one, line two in the title of the proposed ordinance to reduce the requested amount by $140,903 from $1,549,886 to $1,408,983 for Project Reserves and amend lines nine, twelve and fourteen on page two of the proposed ordinance by reducing the requested amount of $484,886 from the Library Improvement Bond Fund by $140,903 to $343,983.

As noted above, Mr. Sowers disagrees with the Budget Analyst's recommended reduction of Project Reserve monies in the amount of $140,903, noting that the Project Reserve monies would provide room for adjustments to project budgets if costs are higher than currently estimated using the preliminary schematic designs. The Budget Analyst believes given that the Public Library would already be receiving $153,634 in contingency monies, if this ordinance is approved by the Board of Supervisors, the Public Library should come back to the Finance Committee to request additional funding if and when needed.

3. Approve the proposed ordinance, as amended.

GROUP 1 PROJECTS

Project	Project Description/Justification	POE	Est. Cost
1. Loading Dock	The loading dock services the Main Library as well as Brooks Hall. The existing dock and lift cannot accommodate the variety of delivery vehicles that use the dock. This results in potentially hazardous conditions as loads must be manually off-loaded from trucks and lifted onto the dock. This project involves the purchase and installation of a mechanical lift that can handle the various delivery vehicles.	POE Report Vol. 1 Library Staff Operations Issues Page 3-11	$34,500
2. Seismic Joint	The seismic joint requires modification, redesign, and/or repair due to inadequate sealing. The Library experiences water intrusion around the entire Main Library perimeter footprint and at the curtain wall pre-cast joints during inclement weather and paving wash down activities. The project involves installation of new flashing to redirect water, or installation of a gutter system to catch water. The Library has replaced damaged mildewing gypsum board several times because of water intrusion, and will continue to do so until a permanent fix is designed and installed.	POE Report Vol. 1 Library Staff Operations Issues Page 3-12 POE Report Vol. 2, Tab 1, Item #87	109,750
3. Fire Doors	This is a fire, life, safety issue. Fire doors located near the Grove Street entrance and in the gallery on the lower level are manually operated. These are two extremely heavy fire doors that have been taken off-line from the fire/life safety system because they currently close too swiftly, have damaged interior surfaces and could injure staff and patrons. This funding will allow the doors to be closed by motors rather than counterweights. The project involves purchase and installation of motors and control panels to operate the fire doors.	POE Report Vol. 1 Library Staff Operations Issues Page 3-12 POE Report Vol. 2, Tab 1, Items # 28 and #31	40,480
4. Public Address System	The existing public address (PA) system is inadequate and needs upgrading. It does not cover non-public work areas on all floors including the lower level of the Main and Brooks Hall. This places staff working in those areas at risk in the event of an emergency. The project involves upgrading the PA system and extending the system into non-public work areas in the Main and in Brooks Hall.	POE Report Vol. 1 Library Staff Operations Issues Page 3-12 POE Report Vol. 2, Tab 1, Item #74	95,000
5. Audio-Visual Systems	The POE found deficiencies with the existing AV systems in the Koret and other public meeting rooms. The use of the Koret and other public meeting rooms in the Library has exceeded initial expectations and capacity of the Library. These rooms have become a significant resource for community group meetings, City Agency meetings, private events, and varied public programming. The existing AV system does not adequately meet the diversity of programming that	POE Report Vol. 1 Audio Visual Systems Pages 3-15 to 3-17 POE Report Vol. 2, Tab 1, Items #4 - #8	57,000

	now occurs. This project involves the purchase and installation of AV equipment capable of handling the diversity of programming that occurs at the Library. Equipment purchase and installation will be done in accordance with recommendations of an A/V design consultant.		
6. Elevators	Elevator #7 serves the lower level, 1st and 2nd floors. It's motor often overheats during heavy use. This project would fund an oil cooler to prevent this problem from occurring. It would also fund refinishing of the all elevator interiors to a brushed finish to reduce vandalism and the cost of annual refinishing. Existing public elevator doors and cabs are covered with a mirror-like metal finish. Although attractive they are difficult and costly to maintain. The doors and cabs are subject to damage from normal use as well as from graffiti scratched or etched into the panels. The project involves refinishing the door and cab surfaces, converting them from their current highly reflective and mirror-like finish to a burnished scratch resistant surface.	POE Report Vol. 1 Library Staff Operations Issues Page 3-12 POE Report Vol. 2, Tab 1, Item #40	49,433
7. Hyde Street Door	This project involves reconfiguring the staff entry on Hyde Street. The existing door is set-back from the sidewalk creating a small alcove. During hours the Library is closed, the alcove is used as a urinal by people passing by on the street. This significantly increases maintenance of the area and is a major health concern for staff entering and leaving the building through this door. The project involves purchase and installation of a rolling gate that will cover the alcove during the hours the Library is closed and setting the existing doors back to accommodate the rolling gate.	Specific problem not addressed in POE.	17,180
8. Exterior Granite and Lighting Repairs	Various granite pavers surrounding the building are broken and need to be replaced. Bollard lighting fixtures will provide needed evening illumination of the ramps and walkways on the Fulton and Larkin sides of the building.	POE Report Vol. 1 Library Staff Operations Issues Page 3-12 POE Report Vol. 2, Tab 1, Items #69 & #70	64,600
9. Misc. Wall Repairs	Several of the walls and columns with encaustic finishes have been damaged and need to be restored. Patrons using reader chairs near the north and west windows on floors 3, 4 and 5 are constantly damaging the sheet rock since there is not much extra space between the back of the chair and the wall. Project involves repair of sheet rock and Installation of chair railings to prevent future damage.	POE Report Vol. 1 Library Staff Operations Issues Page 3-12 POE Report Vol. 2, Tab 1, Item #103	11,600
10. 6th Floor Public Storage/Locker Replacement	Existing lockers on the 6th floor would be replaced with a recessed display case that would include a tackable back surface and adjustable shelves. The lockers are virtually unused and the display	POE Report Vol. 1 Library Staff Operations Issues	6,042

	case would enhance exhibits that are staged on the 6th floor. The project involves design, construction, and installation of the display case.	Page 3-12 POE Report Vol. 2, Tab 1, Item #64	
11. Grove Street Entrance Display Case	This project involves the installation of display cases in the Grove Street entryway. Display cases will replace benches that are currently there. Grove Street is a major entry point into the building and the display cases would provide a convenient and effective source of information regarding programs, exhibits, and public service announcements.	Specific problem not addressed in POE.	14,850
SUBTOTAL CONSTRUCTION			$500,435
Design Contingency	10%		50,044
General Conditions	10%		50,044
Contractor's Overhead and Profit	15%		90,078
TOTAL EST. CONSTRUCTION BID			$690,601
Construction Contingency			103,590
TOTAL CONSTRUCTION			$794,191
Project Management, design, consultants, construction documents, permits, and management	35%		277,967
TOTAL PROJECT COST			$1,072,158

GROUP 2 PROJECTS

1. Replace damaged table tops	Tabletops in the public areas are heavily used and have been damaged through normal use and through deliberate acts of vandalism. Existing tabletops are constructed of wood. Although attractive they are difficult to maintain and unsightly when damaged. This project involves installing plastic laminate over existing wood tops for 60 tables. Laminate surfaces are easier to maintain and easier to repair when damaged. Project will be completed by the Bureau of Building Repair (BBR)/DPW.	Specific problem not addressed in POE.	$30,000
2. Door Stop Fabrication and Installation	Many of the doorstops used at glass doors are broken. A new type of doorstop has been tested by DPW and the Library that has proven to be effective in stopping these heavy glass doors from hitting walls/furniture. Project will be completed with the assistance of the Bureau of Building Repair/DPW. All glass door locations will be equipped with these doorstops.	POE Report Vol. 1 Library Staff Operations Issues Page 3-12 POE Report Vol. 2, Tab 1, Item #32	6,825
3. Signage Consultant	A major finding of the POE was the inadequacy of	POE Report	50,000

	signage in the Library. The report found that inadequate signage reduces operational efficiency by creating an over-reliance on staff by the public for basic directions and poses a barrier to the public's access to materials and services. The POE specifically noted that signage is not visible in the line of travel, stack signage is deficient, and that directional signs are not clear. The POE recommended that a signage consultant with a background in way-finding design for public facilities like the library be hired to develop a signage system that will mitigate existing problems and after the initial signs are done, can be replicated at a low-cost. This project provides funds to develop an RFP for consulting services and funds to pay for the consultant once selected.	Vol. 1 Legibility Issues Page 3-7	
4. Audio/Visual Systems Design	Project involves hiring an A/V consultant to assess and design an appropriate system.	POE Report Vol. 1 Audio Visual Systems Pages 3-15 to 3-17	20,000
5. Radio Repeater System	This is a fire, life, safety issue. There are numerous "dead" areas in the building where radio signals and communication cannot take place. Radio signals cannot be picked up in Brooks Hall. Because of these "dead" areas, Library personnel, private contractors, and emergency personnel working in these areas cannot communicate via radio and this places them at risk in emergency situations. The portable radio repeater system will allow for radio transmission in all areas of the main library and in Brooks Hall. Transmitting devices will be wired and installed which will provide needed radio signaling necessary for normal operations and for emergencies. The Library will work with DTIS to complete this project.	POE Report Vol. 1 Library Staff Operations Issues Page 3-12 POE Report Vol. 2, Tab 1, Item #17	230,000
TOTAL, OTHER PROJECTS			$336,825
PROJECT RESERVE			$140,903
TOTAL COSTS			$1,549,886

SOURCES

General Fund (Proposition E Mandated Contribution)	$1,065,000
Library Improvement Fund	$484,886

SAN FRANCISCO MAIN LIBRARY POE

JOB NO. 6090A

Jan. 10, 2001

PROJECTED CONSTRUCTION COST PHASE 1

	QUANTITY	UNIT	COST	SUBTOTAL	TOTAL
LOADING DOCK					$34,500
Equipment supply and installation	2	LS	$31,500.00	$31,500	
Electrical		LS	$3,000.00	$3,000	
SEISMIC JOINT					109,750
Remove & Reinstall Panels	360	EA	$75.00	$27,000	
Clean moat	1100	LF	$3.00	$3,300	
Dam, sheet metal	1100	LF	$15.00	$16,500	
Waterproof membrane	2750	SF	$6.00	$16,500	
Protection coating	2750	SF	$1.00	$2,750	
Cut panel hinge	1100	LF	$4.00	$4,400	
New grate panels @ drains	16	EA	$400.00	$6,400	
Repair gyp. bd. Ceiling	500	SF	$3.00	$1,500	
Install gyp. Bd Ceiling	1000	SF	$5.00	$5,000	
Paint gyp. bd. Ceiling	2200	SF	$1.50	$3,300	
Remove Bellows	1100	LF	$3.00	$3,300	
Drainage flashing	1100	LF	$15.00	$16,500	
Neoprene foam	1100	LF	$3.00	$3,300	
FIRE DOORS					40,480
Grove Street					
Motor	1	LS		$16,200	
Demo.		LS		$1,000	
Gyp bd. Repair & paint	30	SF	$6.00	$180	
Electrical		LS		$1,000	
Gallery					
Motor	1	LS		$16,200	
Demo.		LS		$1,500	
Gyp bd. Repair & paint	150	SF	$6.00	$900	
Reinstall Glass Wall		LS		$2,000	
Electrical		LS		$1,000	
Access panels	2	EA	$250.00	$500	
PA SYSTEM UPGRADE					95,000
Public Areas		LS		$5,000	
Non-Public Areas		LS		$55,000	
Brooks hall		LS		$35,000	
AUDIOVISUAL SYSTEMS UPGRADE					$57,000
Koret Sound Control Panel		LS		$40,000	
AV Control Window		LS		$10,000	
Slide Projector Positioning System		LS		$5,000	
Power Line Filters		LS		$2,000	
SIXTH FL. PUBLIC STOR. LOCKER REPLACEMENT					$6,042
Demolition		LS		$1,000	
Reframe opening		LS		$1,000	
Gyp. Bd. Install and finish	72	SF	$3.50	$252	
Paint	300	SF	$1.50	$450	
Install 3 existing cases		LS		$1,000	
Install glass doors	3	EA	$350.00	$1,050	
Install light fixtures	4	EA	$300.00	$1,200	
Wood base	15	LF	$5.00	$90	
ELEVATOR					$49,433
Install oil cooler		LF		$8,700	
Refinish cabs and doors		LF		$40,733	
GROVE STREET DISPLAY CASE					$14,850
Framing and glazing	80	SF	$100.00	$8,000	
Brackets	4	SETS	$300.00	$1,200	
Glass shelves	16	EA	$50.00	$800	
Light tracks	5	EA	$150.00	$750	
Track Lights	15	EA	$100.00	$1,500	
Wiring and Switch		LS		$2,000	
Display Boards	60	SF	$10.00	$600	

HYDE STREET DOOR					$17,180
Rolling shutter				$10,000	
New pr.doors and frame		LS		$1,000	
Hardware relocation		LS		$500	
Electrical		LS		$2,500	
Cut and patch		LS		$1,500	
Stainless steel panels	48	SF	$35.00	$1,680	
EXTERIOR GRANITE AND LIGHTING REPAIRS					$64,600
Bollard lighting fixtures	32	EA	$1,550.00	$49,600	
Granite panel replacement	100	SF	$150.00	$15,000	
MISCELLANEOUS WALL REPAIRS					$11,600
Venetian Plaster	100	SF	$30.00	$3,000	
Gypsum board (repair and paint)	1,000	SF	$2.00	$2,000	
Chair Rail	300	LF	$22.00	$6,600	
SUBTOTAL					$500,435
DESIGN CONTINGENCY	10	%			$50,044
CONSTRUCTION SUBTOTAL					$550,479
GENERAL CONDITIONS	10	%			$50,044
SUBTOTAL					$600,522
CONTRACTORS OVERHEAD AND PROFIT	15	%			$90,078
TOTAL ESTIMATED CONSTRUCTION BID					$690,600
CONSTRUCTION CONTINGENCY	15	%			$103,590
TOTAL ESTIMATED CONSTRUCTION COST					$794,190
PROJECT MANAGEMENT, DESIGN, CONSULTANTS, CONSTRUCTION DOCUMENTS, PERMITS, AND CONSTRUCTION MANAGEMENT			35%		277,967
TOTAL PROJECT COST					$1,072,157

San Francisco Main Library POE

Department of Telecommunication and Information Services (DTIS)
Radio Repeater System

Description	Quantity	Unit Cost	Total
Mikom US - Equipment			$ 42,865.00
Mikom US - Installation			91,000.00
Mikom US - Misc. Services			8,000.00
Subtotal Mikom US			$ 141,865.00
Sales Tax on equipment			$ 3,643.53
Margin (20% of Mikom US Subcontract)			28,373.00
Motorola Project Management	120	$ 119	14,280.00
Motorola Engineering	40	124	4,960.00
Motorola System Testing	40	124	4,960.00
Subtotal Motorola			$ 56,216.53
Subtotal Contract			$ 198,081.53
Contingency Fee (10% of total contract costs)			19,808.15
DTIS Project Management (approx. 6.1% of total contract costs)			$ 12,110.32
Subtotal			$ 31,918.47
Project Total			$ 230,000.00

Department of Public Works, Bureau of Building Repair (DPW)
Doorstop Fabrication and Installation

Description	Quantity	Unit Cost	Total
Doorstops	65 doorstops	$ 50	$ 3,250
DPW Labor	65 hours	55	3,575
Total			$ 6,825

Replacement of Damaged Tabletops

Description	Quantity	Unit Cost	Total
Tabletops	60 tabletops	$ 500	$ 30,000

Contract Work
Signage Design Consultant

Description	Quantity	Unit Cost	Total
Signage Consultant	500 hours	$ 90	$ 45,000
Contingency Costs			5,000
			$ 50,000

Description	Quantity	Unit Cost	Total
Audio/Visual Design Consultant			20,000

Group 1 Project Total $ 336,825

MAIN LIBRARY POE PROJECTS

	Estimated Construction	Design Contingency	General Conditions	Contractor's OH/Profit	Subtotal Construction Bid	Total Estimated Project Costs	FUND	SUB-FUND	FUND TYPE	WORK ORDER	SUB-WORK ORDER
1. Loading Dock	$ 34,500	$ 3,450	$ 3,450	$ 6,210	$ 47,610	$ 47,610	2S	LIB	CPR		
2. Seismic Joint	$ 109,750	$ 10,975	$ 10,975	$ 19,755	$ 151,455	$ 151,455	2S	LIB	CPR		
3. Fire Doors	$ 40,480	$ 4,048	$ 4,048	$ 7,286	$ 55,862	$ 55,862	2S	LIB	CPR		
4. Public Address System	$ 95,000	$ 9,500	$ 9,500	$ 17,100	$ 131,100	$ 131,100	2S	LIB	CPR		
5. Audio-Visual Systems	$ 57,000	$ 5,700	$ 5,700	$ 10,260	$ 78,660	$ 78,660	2S	LIB	CPR		
6. Elevators	$ 49,433	$ 4,943	$ 4,943	$ 8,898	$ 68,218	$ 68,218	2S	LIB	CPR		
7. Hyde Street Door	$ 17,180	$ 1,718	$ 1,718	$ 3,092	$ 23,708	$ 23,708	2S	LIB	CPR		
8. Exterior Granite and Lighting Repairs	$ 64,600	$ 6,460	$ 6,460	$ 11,628	$ 89,148	$ 89,148	2S	LIB	CPR		
9. Misc. Wall Repairs	$ 11,600	$ 1,160	$ 1,160	$ 2,088	$ 16,008	$ 16,008	2S	LIB	CPR		
10. 6th Floor Public Storage/Locker Replacement	$ 6,042	$ 604	$ 604	$ 1,088	$ 8,338	$ 8,338	2S	LIB	CPR		
11. Grove Street Entrance Display Case	$ 14,850	$ 1,485	$ 1,485	$ 2,673	$ 20,493	$ 20,493	2S	LIB	CPR		
SUBTOTAL CONSTRUCTION	$ 500,435	$ 50,044	$ 50,044	$ 90,078	$ 690,600	$ 690,600	2S	LIB	CPR		
A/E Services - Project Management						$ 277,967	2S	LIB	CPR		
Construction Contingency					$ -	$ 96,433	2S	LIB	CPR		
TOTAL GROUP 1 PROJECTS	$ 500,435	$ 50,044	$ 50,044	$ 90,078	$ 690,600	$ 1,065,000	FUNDED BY GF TRANSFER TO LPF				
1. Replace damaged table tops	$ 30,000				$ 30,000	$ 30,000	3C	PLI	LOC		
2. Door Stop Fabrication and Installation	$ 6,825				$ 6,825	$ 6,825	3C	PLI	LOC		
3. Signage Consultant	$ 50,000				$ 50,000	$ 50,000	3C	PLI	LOC		
4. Audio/Visual Systems Design	$ 20,000				$ 20,000	$ 20,000	3C	PLI	LOC		
5. Radio Repeater System	$ 230,000				$ 230,000	$ 230,000	3C	PLI	LOC		
	$ 336,825				$ 336,825	$ 336,825	3C	PLI	LOC		
CONSTRUCTION CONTINGENCY (GRP 1)	$ 7,157				$ 7,157	$ 7,157	3C	PLI	LOC		
PROJECT RESERVE	$ 140,903				$ 140,903	$ 140,903	3C	PLI	LOC		
TOTAL GROUP 2 PROJECTS	$ 484,885	$ -	$ -	$ -	$ 484,885	$ 484,885	FUNDED BY LIB IMPRV FUND				
TOTAL PROJECT COSTS	$ 985,320	$ 50,044	$ 50,044	$ 90,078	$ 1,175,485	$ 1,549,885					

Attachment II
Page 4 of 4

FILENAME: POE SUPPLEMENTAL CHART OF ACCOUNTS

PROJECT TITLE: MAIN LIBRARY POE IMPROVEMENT PROJECTS
Capital Plan Priority: 2
Department Contact: Susan Hildreth, City Librarian
Phone:

FAMIS Fund: Various
FAMIS Index Code:
FAMIS Project (if known):

		Prior Years	2001-02	2002-03	2003-04	2004-05	2005-06
USES:	Site Acquisition						
	Construction Contracts	$ 1,027,426	$ 1,988,333				
	Construction Contingency	$ 244,493	$ 220,926				
	Project Control (includes planning, design, management)	$ 277,967	$ 773,241				
	Other	$ -	$ -	$ -	$ -	$ -	$ -
	Subtotal, Uses	$ 1,549,886	$ 2,982,500	$ -	$ -	$ -	$ -
SOURCES:	Project Specific revenues a/	$ 484,886	$ 2,982,500				
	Federal sources						
	State sources						
	Other local sources b/	$ 1,065,000	$ -	$ -	$ -	$ -	$ -
	Subtotal, Sources	$ 1,549,886	$ 2,982,500	$ -	$ -	$ -	$ -
Requested General Fund Subsidy (Uses-Sources):		$ -	$ -	$ -	$ -	$ -	$ -

a/ Library Improvement Fund (CLBPL8)
b/ 2S LIB NPR (higher than anticipated revenue balance)

Project Description:

This request encompasses three distinct improvement projects called out in the Post Occupancy Evaluation Report on the Main Library. Projects include; 1) First Floor, Borrower Services ($1.822 million); 2) Second Floor, construction of a bridge to facilitate way-finding for patrons entering through the Larkin or Fulton Street entrances ($810,000); and, 3) fabriaction of new signage system ($350,000). Project funding from unappropriated revenue balance remaining in the Library Improvement Fund (CLBPL8).

1) First Floor Borrower Services: Project involves redesign of the Borrower Services desk and area to better accommodate both check-in and check-out and allow staff to be used more flexibly than is currently possible. Project objectives are to enhance service provided the public and to reduce repetitive motions for staff.

2) Second Floor Bridge: Project involves design and construction of a bridge linking second floor atrium to the Children's Center. Project objectives include enhanced public access to second floor services and programs.

3) Signage Fabrication: Project involves design and fabrication of a signage system that is changable and duplicable in the Branch Libraries. Objectives of this project are to develop a signage system that is easily changable, ADA compliant, and duplicable in a cost effective manner.

NOTE: PROJECT COST ESTIMATES WERE DEVELOPED BY MEMBERS OF THE CONSULTING TEAM THAT CONDUCTED THE POE. THE TEAM INCLUDED ENGINEERS AND COST ESTIMATERS AND ALL COSTS ASSUMED A CONSTRUCTION START OF NOVEMBER 1999. PROJECT COSTS WILL REQUIRE DETAILED STUDY TO VERIFY THE POE COST ESTIMATES.

Item 10 - File 01-0621

Department: Mayor's Office of Community Development (MOCD)

Item: Resolution approving the 2001 Community Development Program authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2001 Community Development Block Grant (CDBG) Entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency of up to $38,663,433 which includes indirect costs of $160,000; and approving expenditure schedules for recipient departments and agencies for indirect costs, and reserving $641,570 for future Board of Supervisors action.

Description: Refer to the Budget Analyst's separate report of April 19, 2001 on the Mayor's proposed 2001 Community Development Program.

Item 11 - File 01-0622

Department: Mayor's Office of Housing (MOH)

Item: Resolution (a) authorizing the Mayor to accept and expend a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed $7,896,000 for the Home Program, authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and (b) approving the Home Program description, as described in the 2001 Action Plan for San Francisco's Consolidated Plan. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant Funds.

Amount: Not to exceed $7,896,000

Grant Period: July 1, 2001 through June 30, 2002

Source of Funds: U.S. Department of Housing and Urban Development (HUD)

Project: Home Investment Partnership (HOME) Program

Description: The HOME Program is authorized under Title II of the National Affordable Housing Act of 1990 (Public Law Number 101-625). The Act provides funds for the acquisition, rehabilitation, and development of privately-owned affordable housing.

In August of 1994, HUD issued regulations requiring that a Consolidated Plan be developed for (a) the HOME Program, (b) the Housing Opportunities for People with AIDS (HOPWA) Program, and (c) the Community Development Block Grant (CDBG) Program. Under these regulations, MOH has developed a "Preliminary 2001 Action Plan for the City and County of San Francisco, Draft for Public Review"[1]. The MOH advises that the Preliminary 2001 Action Plan, when finalized to reflect the program funding to be approved by the Board of Supervisors for the three programs noted above, will function as the MOH grant

[1] The "Preliminary 2001 Action Plan for the City and County of San Francisco, Draft for Public Review", contains the City's plans and programs for privately and non-profit owned housing, totaling $117,939,103, as shown on the following page. The Final 2001 Action Plan will reflect the program funding requests as approved by the Board of Supervisors in this subject HOME Program legislation, and other legislation being considered by the Finance Committee (Files 01-0621 and 01-0623).

application for HOME program funding from HUD. MOH and the Mayor's Office of Community Development (MOCD) must submit the 2001 Action Plan to HUD by May 15, 2001. According to the Preliminary 2001 Action Plan for privately and non-profit owned housing development and administrative costs, the MOH anticipates receiving $7,896,000 which is $781,000 or 11 percent more than the 2000 allocation of $7,115,000.

Projected funds for the Preliminary 2001 Action Plan for privately owned housing developments totals $117,939,103, including $6,899,926 of the proposed $7,896,000 HOME grant allocation [2] and various other sources of funding, as follows:

Funding Source	Amount	
Federal Funds		
HOME	$6,899,926	
CDBG [3]	5,347,977	
CDBG Program Income	240,000	
HOPWA	489,200	
Subtotal, Federal Funds		$12,977,103
Local Sources		
Hotel Tax Fund	$4,900,000	
Citywide Tax Increment (T.I.)	37,600,000	
SOMA T.I.	12,500,000	
Western Addition T.I.	1,175,000	
Mission Bay Project Funds	5,187,000	
Yerba Buena Center	1,000,000	
Bayview Hunters Point	1,800,000	
Hunters Point Shipyard	1,000,000	
Proposition A Bonds* Development Account	39,518,214	
Proposition A Bonds: Down Payment Assistance Account	281,786	
Subtotal, Local Funds		$104,962,000
Total		**$117,939,103**

* Proposition A was approved in November of 1996, authorizing the City to issue up to $100,000,000 in General Obligation Bonds to finance the development of affordable rental housing for low-income households. The Board of Supervisors has previously authorized sale of $60,000,000 of Proposition A bonds. A resolution to authorize sale of the remaining $40,000,000 Proposition A bonds is pending before the Board of Supervisors.

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[2] The funding sources noted above are for capital projects only. Of the proposed HOME grant, totaling $7,896,000, $6,899,926 is designated for capital projects (including acquisition and rehabilitation of housing and new housing construction), $56,474 is designated for tenant rental assistance, and $939,600 is designated for HOME program administrative costs.

[3] Community Development Block Grant (CDBG) funds are the subject of File 01-0621.

The 2001 HOME Program funds of $6,899,926 represents approximately 5.9 percent of the total $117,939,103 in projected funds for privately owned housing development in San Francisco.

Procedures for allocating HOME Program funds were approved by the Board of Supervisors in August of 1992 (File 68-92-4.1) and revised in February of 1994 (File 68-94-7). These procedures outlined broad criteria and the process for allocating the HOME Program funds, including notification procedures to interested parties on the availability of housing funds, evaluation of funding proposals, and criteria for underwriting housing loans. Projects eligible for HOME funding are defined as follows:

(a) Construction of new housing units or rehabilitation of existing housing units, which will be owned and managed by the applicant for HOME funding, and which will be occupied by households with incomes that do not exceed 60 percent, or $48,060, of the median income of $80,100 for a family of four in the San Francisco metropolitan area, established by HUD, or

(b) First-time home ownership assistance for low-income persons with household incomes that do not exceed 80 percent, or $64,080, of the median income of $80,100 for a family of four in the San Francisco metropolitan area, established by HUD.

HOME regulations require that a minimum of 15 percent of the City's proposed FY 2001-2002 HOME allocation of $7,896,000, or $1,184,400, be reserved for housing developed, sponsored or owned by non-profit Community Housing Development Organizations (CHDOs). According to Mr. Joe LaTorre of MOH, nearly all of San Francisco's affordable housing development efforts in recent years have been conducted in collaboration with local community-based non-profit housing development corporations, several of which have satisfied HUD requirements to qualify as CHDOs. CHDOs are expected to continue performing the roles that non-profit housing development corporations have traditionally performed in San Francisco, including acquisition and rehabilitation of existing buildings,

acquisition of sites and development of new housing, and ownership and management of subsidized developments.

Budget: The proposed summary budget for the subject HOME Investment Partnership Program grant is as follows:

Program	FY 2000-2001 Budget		FY 2001-2002 Budget		Increase/ (Decrease) in FY 2001-2002	
Projects:						
Supportive Housing	$2,342,226		$6,537,234		$4,195,008	
Family Rental Housing	2,355,150		0		(2,355,150)	
Non Profit Preservation	1,500,000		362,692		(1,137,308)	
Subtotal		$6,197,376		$6,899,926		$702,550
Tenant Based Housing Assistance		56,474		56,474		0
Administrative Costs:						
Community Housing Corp	150,000		150,000		0	
MOH HOME program	557,571		640,192		82,621	
Other costs	153,579		149,408		(4,171)	
Subtotal		861,150		939,600		78,450
Total		$7,115,000		$7,896,000		$781,000

Required Match: $1,974,000 or 25 percent of HOME grant funds. Mr. LaTorre states that matching funds are available from the Hotel Tax Fund allocation for housing projects. Such matching funds would be part of the total funding of $117,939,103 for privately and non-profit owned housing developments, identified by the Preliminary 2001 Action Plan for the City and County of San Francisco.

Comments: 1. According to Mr. LaTorre, supportive housing projects in the amount of $6,537,234 include:

(a) acquisition and rehabilitation of the 40-unit Padre Hotel, 241 Jones Street;

(b) rehabilitation of the 93-unit West Hotel, 141 Eddy Street;

(c) new projects for acquisition and rehabilitation of new supportive housing projects, for which a Notices of Funding Availability (NOFA) will be issued in the summer of 2001;

(d) new projects for rehabilitating residential care facilities, for which a NOFA will be issued in the summer of 2001; and

(e) feasibility grants up to $20,000 per grant, totaling $100,000, to new service providers for planning and development of supportive housing programs, for which a NOFA will be issued in the summer of 2001.

2. In addition, Mr. LaTorre states that "Non Profit Preservation" funds, totaling $362,692, will be used for rehabilitation or improvements to existing supportive housing facilities, especially energy conservation improvements. Mr. LaTorre states that a NOFA will be issued in the summer of 2001.

3. Mr. LaTorre states that tenant-based housing assistance is provided by Catholic Charities Homeless Prevention Program to assist low-income tenants in avoiding eviction.

4. As shown in the table on the previous page, total administrative costs in the proposed FY 2001-2002 HOME Investment Partnership Program are $939,600, which is $78,450 or 9.1 percent more than total administrative costs in the FY 2000-2001 budget of $861,150. The FY 2001-2002 MOH HOME program administration costs of $640,192 are $82,621 or 14.8 percent more than the FY 2000-2001 allocation of $557,571. According to Mr. Roger Sanders of MOCD, the increased HOME program administration costs are due to (a) $32,615 for increased salary costs for the existing 4.8 program FTES, including negotiated salary increases, salary step increases, and the associated increase in fringe benefits, (b) $20,006 for increased rent for office space at 25 Van Ness Avenue, increased telecommunication costs paid on a work-order basis to the Department of Telecommunications and Information Services (DTIS), and training and travel expenses for MOH community outreach, and (c) $30,000 for development of a management information system.

5. The Budget Analyst notes that MOH has included a total of $80,000 in funds for the proposed MOH management information system. $50,000 in funding has been included in the proposed FY 2001-2002 Community Development Block Grant (CDBG) Planning budget (File 01-0621) and $30,000 included in the subject MOH budget. The Budget Analyst recommends placing $80,000 on reserve, including $50,000 in the CDBG budget and $30,000 in the MOH budget, pending submission of budget details.

6. Mr. LaTorre states that $150,000 in administrative costs would be allocated to community housing corporations, which is unchanged from the amount allocated in FY 2000-2001. Of the $150,000, the Chinese Community Housing Corporation, the Mission Housing Development Corporation, and the Tenderloin Neighborhood Development Corporation would each be allocated $50,000.

7. Section 1.C of MOH Criteria and Procedures for allocating HOME Program funds requires that the Director of MOH submit an Annual Report to the Board of Supervisors by March 31 of each year for the preceding calendar year, providing an accounting of all HOME program funds received by the City and how the funds were expended. As of the writing of this report, the Annual Report has not been submitted to the Board of Supervisors. According to Mr. LaTorre, the Annual Report is being submitted to the Board of Supervisors on April 19, 2001.

Recommendations:

1. Reserve $30,000 for the Management Information System, as noted in Comment 5.

2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 12 - File 01-0623

Department:	Mayor's Office of Community Development (MOCD)
Item:	Resolution approving the FY 2001-2002 Emergency Shelter Grants Program and expenditure schedule and authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend a $879,092 entitlement under the Emergency Shelter Grants Program from the Federal Department of Housing and Urban Development.
Amount:	$879,092
Source of Funds:	Federal Department of Housing and Urban Development (HUD)
Grant Period:	July 1, 2001 through June 30, 2002

Description:

The HUD Emergency Shelter Grants Program was first established under the Stewart B. McKinney Homeless Assistance Act in July of 1987. The program is designed to assist in (a) improving the quality of existing emergency shelters for the homeless, (b) making available additional emergency shelters, and (c) meeting the costs of operating emergency shelters. The goal of the program is to provide certain essential social services to homeless individuals so that those persons have access to the support services needed to improve their situations.

The Mayor's Office of Community Development (MOCD) is responsible for administering and monitoring the Emergency Shelter Grants Program (ESGP). Funds from the ESGP are budgeted under five categories which include three program categories (Essential and Social Services, Maintenance and Operating Expenses and Homeless Prevention Services) and two other categories (MOCD administration and the Emergency Shelter Pool). MOCD proposes to allocate grant funds in the amount of $879,092 from the FY 2001-2002 ESGP grant (which is $10,908 less than the FY 2000-2001 ESGP allocation of $890,000) to 18 projects in the three program categories noted above and to MOCD administrative costs.

Approval of the proposed resolution would (a) authorize the MOCD to accept and expend the FY 2001-2002 Emergency Shelter Grant and (b) approve the FY 2001-2002

Emergency Shelter Grants Program and expenditure schedule.

Budget: The proposed summary budget for the ESGP allocation of $879,092 is as follows:

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase/ (Decrease) from FY 2000-2001 Budget
American Red Cross	$68,000	$68,000	$ -
Asian Women's Shelter	56,000	56,000	-
Catholic Charities/ St. Joseph's Village	25,000	25,000	-
Central City Hospitality House	15,000	15,000	-
Compass Community Services	50,000	50,000	-
Dolores Street Community Services	48,000	48,000	-
Episcopal Community Services	40,000	40,000	-
Friendship House Association	36,900	36,900	-
Hamilton Family Center, Inc.	50,000	50,000	-
La Casa de las Madres	77,300	77,300	-
Larkin Street Youth Center	54,000	54,000	-
Metropolitan Community Foundation	47,000	47,000	-
MOCD Administration (5%)	44,500	44,042	(458)
Bar Association of San Francisco/ Volunteer Legal Services Program	25,000	60,000	35,000
San Francisco Eviction Defense Collaborative	25,000	25,000	-
San Francisco League of Urban Gardeners (SLUG)/ Bayview Safe Haven	0	28,250	28,250
St. Vincent de Paul Society	20,000	20,000	-
Swords to Plowshares	38,600	38,600	-
United Council of Human Services	96,000	96,000	-
Emergency Shelter Pool	73,700	0	(73,700)
Total	$890,000	$879,092	($10,908)

Attachment I, provided by MOCD, contains the ESGP FY 2000-2001 budget and FY 2001-2002 proposed budget. Attachment II, provided by MOCD, contains a list, including descriptions, of the above programs. Of the programs noted above, one program is new and one has increased funding from the FY 2000-2001 ESGP budget, for

a total of increased funding of $63,250. Funding for MOCD administrative costs, which is 5 percent of total costs, decreased from $44,500 in FY 2000-2001 to $44,042, a decrease of $458.

Additionally, the Emergency Shelter Pool, which received funding in the amount of $73,700 in FY 2000-2001, would not receive funding in FY 2001-2002. The Emergency Shelter Pool was available for emergency shelter and homeless services most likely to be required during the winter months. According to Mr. Jon Pon of the MOCD, funding for the Emergency Shelter Pool has been eliminated to provide funding to other programs. The total ESGP allocation in FY 2001-2002 of $879,092 is $10,908 less than the FY 2000-2002 allocation of $890,000.

The Budget Analyst has reviewed the proposed budgets for the two programs with new or increased funding (Bar Association of San Francisco/ Volunteer Legal Services Program and SLUG/ Bayview Safe Haven). These programs are discussed below.

<u>Bar Association of San Francisco/</u>
<u>Volunteer Legal Services Program</u> $60,000

The proposed budget of $60,000 for the Bar Association of San Francisco/ Volunteer Legal Services Program is $35,000 or 140 percent more than the FY 2000-2001 allocation of $25,000. According to Mr. Pon, the proposed allocation would be used to provide eviction defense, benefits advocacy, benefits advocacy and referral services to 400 low-income individuals. Such funding would cover 6 percent of the annual salaries of the following three positions: (1) Managing Attorney at $35.75 per hour, (2) Managing Attorney at $41.25 per hour, and (3) Receptionist at $16.00 per hour. Such funding would also cover 3 percent of the annual salaries of the following two positions: (1) Social Services Coordinator at $28.57 per hour, and (2) Database Coordinator at $15.00 per hour.

SLUG/ Bayview Safe Haven $28,250

According to Mr. Pon, $28,250 has been allocated to SLUG/ Bayview Safe Haven in FY 2001-2002. SLUG/ Bayview Safe Haven provides after-school educational, recreational, health and social services to homeless and "at-risk" youth. Mr. Pon reports that FY 2001-2002 is the first year that SLUG/ Bayview Safe Haven would be receiving ESGP funding. Mr. Pon states that funds in the amount of $28,250 would be used to pay for an estimated 5 percent of the salary of a Family Services Coordinator, 8 percent of the salary of an Activities Coordinator, 100 percent of the salary of an Outreach Coordinator, and for supplies and overhead.

Required Match: HUD requires one-to-one matching funds, totaling $879,092, for the ESGP funds.[1] According to Ms. Julie Brenman of DHS, such matching funds have been budgeted in the proposed FY 2001-2002 DHS budget.

Indirect Costs: None.

Comments: 1. As noted above, the subject ESGP grant would allocate funds to (a) 18 nonprofit agencies and (b) to MOCD administrative costs. The Budget Analyst recommends approval of existing programs with the same funding level as the prior year. Approval of the two programs with new or increased funding is a policy matter for the Board of Supervisors.

2. Attachment III is a Grant Application Information Form, provided by the MOCD, which includes a Disability Access Checklist.

Recommendations: 1. Approve funding in the amount of $815,842 ($879,092 less new or increased funding of $63,250).

2. Approval of increased funding of $35,000 in expanded programs for the Bar Association of San Francisco/ Volunteer Legal Services Program and a $28,250 allocation to SLUG/ Bayview Safe Haven is a policy matter for the Board of Supervisors.

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[1] The Budget Analyst notes that the Grant Information Form (Attachment III) incorrectly states that no matching funds are required by HUD, the granting agency. According to Mr. Pon, one-to-one matching funds, totaling $879,092, are required by HUD, and a corrected Grant Information Form will be submitted by MOCD for the Board of Supervisors file.

Harvey M. Rose

Supervisor Leno
Supervisor Peskin
Supervisor Gonzalez
Clerk of the Board
Controller
Steve Kawa

1	Pgm	Mtx	Agency	FY00	2001Rq	2,001	Diff	Comment
			Emergency Shelter Grant					
x	ESG	05Q	American Red Cross Bay Area, SF	68,000	68,000	68,000	0	
x	ESG	03T	Asian Women's Shelter	56,000	56,000	36,856	-19,144	
	ESG	05	Asian Women's Shelter	0	0	19,144	19,144	
x	ESG	05	Catholic Charities /St. Joseph's Village	25,000	42,870	25,000	0	
x	ESG	03T	Central City Hospitality House (Orlando)	15,000	20,000	15,000	0	
x	ESG	05Q	Compass Community Services	50,000	50,000	50,000	0	
x	ESG	05	Dolores St Community Services/So Van Ness Loc	48,000	50,000	44,500	-3,500	
	ESG	03T	Dolores St Community Services/So Van Ness Loc	0	0	3,500	3,500	
x	ESG	03T	Episcopal Community Services of SF	40,000	52,000	40,000	0	
x	ESG	03T	Friendship House Association of American Indians, Inc.	36,900	63,950	36,900	0	
x	ESG	03T	Hamilton Family Center, Inc	50,000	50,000	50,000	0	
x	ESG	05	La Casa de las Madres	77,300	110,000	45,782	-31,518	
	ESG	03T	La Casa de las Madres	0	0	31,518	31,518	
x	ESG	03T	Larkin Street Youth Center	54,000	54,000	54,000	0	
x	ESG	03T	Metropolitan Community Foundation	47,000	47,000	47,000	0	
	ESG	21A	MOCD (5% Admin)	44,500	44,042	44,042	-458	
x	ESG	05Q	SF Bar Assn/Volunteer Legal Services Program	25,000	60,000	60,000	35,000	
x	ESG	05Q	SF Eviction Defense Collaborative	25,000	25,000	25,000	0	
x	ESG	03T	St Vincent DePaul Society	20,000	30,000	20,000	0	
x	ESG	05	Swords to Plowshares	38,600	50,802	31,400	-7,200	
	ESG	03T	Swords to Plowshares	0	0	7,200	7,200	
x	ESG	05	United Council of Human Services (The)	96,000	324,478	67,600	-28,400	
	ESG	03T	United Council of Human Services (The)	0	0	28,400	28,400	
x	ESG	05	SLUG/Bayview Safe Haven	0	40,000	28,250	28,250	
	ESG	03T	Emergency Shelter Pool	73,700	0	0	-73,700	
			TOTAL EMERGENCY SHELTER	890,000	1,238,142	879,092	-10,908	879,000

Emergency Shelter Grant Program

Activity Name and Location	Program Description	Proposed Budget
Emergency Shelter Grants		
This program funds projects and services for homeless individual and families.		
1. American Red Cross (Bay Area) 85 2nd Street, 7th Floor	Provide back rent grants to eligible single non-disabled adults to prevent eviction	$68,000
2. Asian Women's Shelter 3543 - 18th Street, #19	Provide shelter, intensive case management, counseling, collaboration, and advocacy to low income battered women and children	$56,000
3. Bar Assoc. of SF Volunteer Legal Services 1360 Mission Street	Provide eviction defense, benefits advocacy, and referral services	$60,000
4. Catholic Charities 240 Golden Gate Avenue	Provide rental assistance to those in danger of eviction or moving from shelter to transitional or permanent housing	$25,000
5. Central City Hospitality House 146 Leavenworth Street	Provide case management and shelter to homeless adult males	$15,000
6. Compass Community Services 111 Taylor Street	Provide emergency shelter to homeless families at Compass Family Center	$50,000
7. Dolores Street Community Services 938 Valencia Street	Provide employment development services to homeless immigrant Latino men	$48,000
8. Episcopal Community Services of SF 201 8th Street	Provide shelter and meals to homeless adults	$40,000
9. Friendship House Association of American Indians 80 Julian Avenue	Provide shelter to homeless American Indian adults seeking treatment and counseling for substance abuse	$36,900
10. Hamilton Family Center, Inc 1525 Waller Street	Provide shelter and meals to homeless families	$50,000
11. La Casa de las Madres 1850 Mission Street	Provide shelter and support services to battered women and their children	$77,300
12. Larkin Street Youth Center 536 Central Avenue	Provide emergency shelter and related services to runaway youth ages 12-17	$54,000

Emergency Shelter Grant Program

Activity Name and Location	*Program Description*	*Proposed Budget*
13. Metropolitan Community Foundation Mission High School	Provide showers, food and personal hygiene services at Mission High School to homeless adults	$47,000
14. MOCD/ESG Administration	Administration of ESG program	$44,042
15. San Francisco Eviction Defense Collaborative, Inc. 433 South Van Ness Avenue	The (EDC) provides legal assistance to tenants facing eviction lawsuits in the Tenderloin and South of Market districts and in residential hotels throughout the City	$25,000
16. SLUG/Bayview Safe Haven 1395 Mendell Street	Provide after-school educational, recreational, health, and social services to homeless and "at-risk" youth	$28,250
17. St. Vincent de Paul Society of SF Confidential	Provide emergency shelter for battered women and their children	$20,000
18. Swords to Plowshares 1063 Market Street	Provide counseling and supportive services to homeless, disabled veterans	$38,600
19. United Council of Human Services 2111 Jennings Street	Provide food, clothing, referral and counseling services to homeless or at-risk of becoming homeless	$96,000
	GRAND TOTAL EMERGENCY SHELTER PROGRAM	$879,092

File Number: ____________________
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: Emergency Shelter Grant

2. Department: Mayor's Office of Community Development

3. Contact Person: Pamela David Telephone: 252-3100

4. Grant Approval Status (check one):

   [ ] Approved by funding agency [x] Not yet approved

5. Amount of Grant Funding Approved or Applied for: $879,000

6a. Matching Funds Required: $ 0
 b. Source(s) of matching funds (if applicable):

7a. Grant Source Agency:
 b. Grant Pass-Through Agency (if applicable):

8. Proposed Grant Project Summary:

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

   Start-Date: 07/01/2001 End-Date: 06/30/02

10. Number of new positions created and funded: 0

11. If new positions are created, explain the disposition of employees once the grant ends?

12a. Amount budgeted for contractual services:

 b. Will contractual services be put out to bid?

 c. If so, will contract services help to further the goals of the department's MBE/WBE requirements?

 d. Is this likely to be a one-time or ongoing request for contracting out?

13a. Does the budget include indirect costs? [ ] Yes [x] No

b1. If yes, how much? $
b2. How was the amount calculated? Estimated based on previous years expenditures.

c. If no, why are indirect costs not included?
[ ] Not allowed by granting agency [ ] To maximize use of grant funds on direct services
[x] Other (please explain): Included in Community Development Block Grant

14. Any other significant grant requirements or comments:

****Disability Access Checklist*****

15. This Grant is intended for activities at (check all that apply):

[x] Existing Site(s)	[x] Existing Structure(s)	[x] Existing Program(s) or Service(s)
[x] Rehabilitated Site(s)	[x] Rehabilitated Structure(s)	[x] New Program(s) or Service(s)
[x] New Site(s)	[x] New Structure(s)	

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability Reviewer: Eugene Flannery____________________
(Name)

Date Reviewed: 3/31/01_______

Department Approval: Pamela David Director
(Name) (Title)

Pamela David
(Signature)

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

April 19, 2001

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: April 25, 2001 Finance Committee Meeting
Separate Report on FY 2001-2002 CDBG Budget

Item 10 - File 00-0621

Department: Mayor's Office of Community Development (MOCD)

Item: Resolution approving the FY 2001-2002 Community Development Program. This resolution would (a) authorize the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's FY 2001-2002 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and Program Income generated by the San Francisco Redevelopment Agency in the amount of up to $38,663,433, which includes indirect costs of $160,000; (b) approve the expenditure schedule for recipient departments and agencies and for indirect costs; and (c) reserve $641,570 for future Board of Supervisors action.

Amount: Up to $38,663,433

Total Community Development Block Grant Program funding i FY 2001-2002 includes the FY 2001-2002 CDBG grant fund provided to the City by the U.S. Department of Housing an Urban Development (HUD), transfer and expenditure of th reprogrammed funds from Community Development Programs i prior years, and program income generated by the Mayor's Offic of Community Development, the Mayor's Office of Housin (MOH), and the San Francisco Redevelopment Agency (SFRA), a follows:

FY 2001-2002 CDBG Program funds	$25,820,000	
Reprogrammed funds from prior years	1,552,000	
Subtotal, CDBG funds		$27,372,000
Program Income		11,291,433
Total		**$38,663,433**

Grant Period: July 1, 2001 through June 30, 2002

Source of Funds: U.S. Department of Housing and Urban Development (HUD)

Required Match: None

Indirect Costs: $160,000

Description: Under Title I of the Federal Housing and Communit Development Act of 1974, as amended, and related Federa regulations, San Francisco is eligible to receive a Communit Development Block Grant (CDBG). The primary objective of th CDBG Program is to develop viable urban communities b supporting programs providing decent housing, a suitable livin environment, or economic opportunity for low- and moderate income residents of San Francisco.

Approval of the proposed resolution would authorize MOCD t accept and expend the FY 2001-2002 Community Developmen Block Grant up to $27,372,000 which is $2,097,000, or 8.3 percen more than the FY 2000-2001 Community Development Bloc Grant of $25,275,000, including reprogrammed funds. Sections through XIV of this report provides an analysis of the propose

FY 2001-2002 CDBG budget, including the Budget Analyst's recommendations.

Additionally, funds in the amount of $11,291,433 would be used for specific program-income funded activities, as discussed in Section XIV of this report.

Attachment I, prepared by the Budget Analyst, beginning on page 44 of this report, is a CDBG Program Summary of Recommendations. The table includes the FY 2000-2001 CDBG budget, the proposed FY 2001-2002 budget, and a summary of changes from FY 2000-2001 to FY 2001-2002.

Comments:

1. In FY 2001-2002, MOCD implemented a new policy to limit grants to community based service projects to $50,000 and to begin phasing in a funding ceiling of $125,000 per organization (see Section VIII – Public Services Program). MOCD has also offered core organizations with good track records three-year contracts, contingent on the grantees' ability to reduce program costs and available funding.

2. In the FY 2001-2002 budget, MOCD proposes to implement a new Capital Improvement Revolving Loan Fund, totaling $5,000,000, to provide loans for the capital costs of constructing or renovating office space for nonprofit organizations (see Section XIV).

3. The number of 72 full time equivalent (FTE) positions funded in the FY 2001-2002 budget is unchanged from FY 2000-2001 (see Section XIII). During FY 2000-2001, however, MOCD upgraded three vacant positions into higher classifications, and reclassified four filled Special Assistant positions into four higher Special Assistant classifications without Board of Supervisors approval. The Budget Analyst notes that, although MOCD did not incur a net increase in personnel costs during FY 2000-2001 for these upgraded and reclassified positions, the future personnel costs to MOCD will increase due to these higher Special Assistant classifications.

4. The San Francisco Administrative Code stipulates that every nonprofit organization receiving funding through the City and County must file an Annual Economic Statement with the Clerk of the Board of Supervisors before the nonprofit organization can be allocated its final funding. MOCD advises that it expects all of

the organizations to have filed their statements prior to the fina allocation of the FY 2001-2002 CDBG funds.

5. The proposed resolution would authorize reserving $641,570 fc future Board of Supervisors action. The proposed FY 2001-200 CDBG budget does not contain such a provision for reservin these funds. Therefore, page 1, lines 8 and 9 of the propose resolution, should be amended to delete the statement, "an reserving $641,570 for future Board action".

Summary of Recommendations:

1. Approval of funding in the amount of $9,932,615 for new o expanded programs is a policy matter for the Board c Supervisors. Of the amount of $9,932,615, the Budget Analys recommends placing $575,626 on reserve in the followin programs.

(a) Reserve $466,370 in the Facility Emergency Relief Pool pending submission of program and budget details.
(b) Reserve $50,000 in the MOH Planning and Capacit Building Pool, pending submission of budget details fo the Management Information System.
(c) Reserve $59,256 in the Program Administration budget pending approval of reclassification of four positions an budget details for the Homeless Board.

2. Approve funding in the amount of $28,730,818, includin CDBG and Program Income funds, for existing programs fo which the recommended budget for FY 2001-2002 was unchange from the FY 2000-2001 budget.

3. Amend the proposed resolution to delete an incorrect referenc to a $641,570 reserve, as noted in Comment 5.

Section I: Housing Program Administration - $2,541,084

The MOCD proposes to allocate $2,541,084 in FY 2001-02 to fund twelve Housing Program Administration agencies, an increase of $58,724 or 2.4 percent, from the FY 2000-01 budget allocation of $2,482,360.

Descriptions of the proposed Housing Program Administration programs with new or increased funding are as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
GP/TODCO, Inc. Provide rehabilitation to existing low-income units, housing technical assistance, and other low-income housing services	$191,713	$210,000	$18,287
Community Design Center Provide architectural planning and technical assistance to support primarily single family housing rehabilitation	115,000	155,437	40,437
Subtotal	$ 306,713	$ 365,437	$ 58,724

Proposed Housing Program Administration Budget for FY 2001-2002

Funding Description	Increase/ (Decrease) in FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$58,724
Subtotal Programs With No Funding Changes for FY 2001-2002	2,482,360
Total Funding for FY 2001-2002	$2,541,084

Comments

1. According to Mr. Daryl Higashi of MOH, the Community Design Center (CDC) received increased funding in the amount of $40,437 for increased personnel costs. Mr. Higashi states that CDC has experienced staff turnover due to below market rate salaries and has been unable to meet increased demand for CDC services due to inadequate staffing. The proposed funds would pay for 0.45 FTE increase in staff hours and would pay for salary increases for staff architects, ranging from (a) an $11 per hour, or 45.8 percent, increase for Senior Staff Architect, from $24 to $35 per hour; (b) a $4 per hour, or 33 percent increase, for Staff Architect, from $12 per hour to $16 per hour; and (c) a $3 per hour, or 25 percent, increase for Design Assistant, from $12 per hour to $15 per hour.

2. Mr. Higashi states that GP/TODCO received $18,287 in additional funding to help fund 0.75 FTE Development Assistant Trainee. According to Mr. Higashi, this is an existing position, previously funded by a grant from the Federal AmeriCorps program, to provide assistance to the project manager for planning and developing programs.

Recommendations

1. Approve $2,482,360 of the requested $2,541,084 for Housing Program Administration programs to continue funding for existing programs.

2. Approval of $58,724 in funding for new or expanded Housing Program Administration programs is a policy matter for the Board of Supervisors.

Section II: Housing Program Pool - $5,347,977

The MOH proposes to expend Housing Program Pool funds in FY 2001-2002 on the projects noted below, including projects for renovation of existing low-income housing facilities and loans to low-income and elderly single family homeowners for repairs. Funding for such projects would include prior year unallocated CDBG Housing Program Pool funds, program income funds, and FY 2001-2002 CDBG program funds. Housing Program Pool funds are used for the acquisition of land for low-income housing construction, for the renovation of existing buildings to be used for low-income housing, and for pre-development costs.

Projected program funds, including the subject $5,347,977 CDBG funds, total $10,036,629. The FY 2001-02 CDBG allocation of $5,347,977 is $58,724 or 1.09 percent less than the FY 2000-01 allocation of $5,406,701. Funding sources for the Housing Program Pool are as follows:

Source of Funds	Amount
Current and Prior Years' Unallocated CDBG Pool funds	$3,760,738
Program Income from Completed and Amortized Loans	687,914
Estimated FY 2001-02 Program Income	240,000
FY 2001-02 CDBG Funds	5,347,977
Total Funds	**$10,036,629**

MOH has proposed use of the Housing Program Pool funds, as follows:

Program	Proposed FY 2001-2002 Budget
Unexpended Existing Commitments	
909 Geary Boulevard	$317,000
1346 Portola Avenue	397,000
145 Eddy Street	431,194
Rainbow Adult Community	20,000
55 Mason Street	257,764
Subtotal	$1,422,958
Commitments Expected by 7/1/2001	
Loans to low-income/elderly single family homeowners	$1,000,000
Dalt Hotel, 34 Turk Street	635,000
Cambridge Hotel, 413 Ellis Street	1,200,000
Subtotal	$2,835,000

Program	Proposed FY 2001-2002 Budget
<u>Other Proposed FY 2001-02 Programs</u>	
209 Golden Gate Avenue (pre-development costs)	$150,000
Supportive housing for homeless and disabled persons (site to be determined)	1,403,075
Capital improvements to existing affordable housing owned by nonprofits (sites to be determined)	2,725,596
Loans to low-income/elderly single family homeowners	1,500,000
Subtotal	$5,778,671
Total Proposed Uses	**$10,036,629**

<u>Comment</u>

According to Mr. Joe LaTorre of MOH, MOH will issue "Notices of Funding Availability" for renovation of facilities to provide supportive housing for homeless and disabled individuals ($1,403,075) and for funds for capital repairs to existing nonprofit-owned affordable housing ($2,725,596), as shown in the table above.

<u>Recommendation</u>

Approve the requested amount of $5,347,977 for the FY 2001-02 Housing Program Pool.

Section III: Public Housing Program - $205,560

The MOCD proposes to allocate $205,560 to fund two new Public Housing Program Projects in FY 2001-2002, which is a decrease of $45,440, or 18.1 percent, from the FY 2000-2001 budget allocation of $251,000.

Public Housing Program funds are allocated to the San Francisco Housing Authority for the Ping Yuen Public Housing Project for upgrading the facility to comply with the Americans with Disabilities Act (ADA) as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Ping Yuen, 799 Pacific Street Construction work for American with Disabilities Act (ADA) compliance, including remodel of existing ramp, installation of handrails, restroom upgrades, and other improvements.	$0	$104,560	$104,560
Ping Yuen, 799 Pacific Street Construction work for ADA compliance, including remodel of existing ramp, installation of handrails, restroom upgrades and other improvements.	0	101,000	101,000
Subtotal	$0	$205,560	$205,560

Comment

According to Mr. Jon Pon of MOCD, the allocation in the amount of $205,560 will fund a portion of the architectural and engineering costs and the construction costs for the Ping Yuen Public Housing Project, as described above. Mr. Pon states that private contractors will be selected through a public competitive bid process to perform the work. Mr. Pon states the ADA improvement projects at Ping Yuen will be performed in two different facilities on the same site.

Recommendation

Approval of the proposed FY 2001-02 Public Housing Program Pool budget of $205,560 is a policy matter for the Board of Supervisors.

Section IV : Public Facility Improvement $1,721,414

The MOCD proposes to allocate $1,721,414 to fund Public Space Improvement Projects in FY 2001-02, an increase of $55,200, or 3.3 percent, from the FY 2000-01 budget allocation of $1,666,214.

Public Facility Improvement funds are used for the construction or project costs for outdoor or open space projects, including projects to improve open space and community gardens, develop children's playgrounds, and other public space improvements. Descriptions of the proposed new or increased Public Space Improvements programs are as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
San Francisco Conservation Corps (SFCCC) Replacement of play structures and sand with new play structures and matting at 25 facilities at different locations in San Francisco.	$1,210,714	$1,227,714	$17,000
Donaldina Cameron House Resurfacing and striping of two basketball courts and one play yard	0	50,000	50,000
Subtotal	$1,210,714	$1,277,714	$67,000

Proposed Public Facility Improvements Budget for FY 2001-2002

Funding Description	Increase/ (Decrease) in FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$67,000
Subtotal Programs With No Funding Changes for FY 2001-2002	1,654,414
Total Funding for FY 2001-2002	$1,721,414

Comments

1. According to Mr. Pon, SFCCC employees will perform light construction of new play structures and matting, and private contractors selected through a competitive bid process will perform heavy construction of the play structures. Mr. Pon states that private contractors, selected through a public competitive bid process, will perform the resurfacing of basketball courts.

2. In addition to the new funding noted above, the Public Space Improvement Pool, which received $200,000 in funds in FY 2000-2001, will receive the same allocation of $200,000 in FY 2001-2002. Mr. Pon states that these monies will be used to fund (a) 0.65 FTE Senior Community Development Specialist ($53,760) to administer the program, (b) new play structures for Section 108 daycare centers ($100,000) and (c) safety modifications to existing play structures ($46,240). According to Mr. Pon, Public Space Improvement Pool funds for the same purpose were available in the FY 2000-2001 budget, and that facilities which did not receive monies for new or modified play structures in FY 2000-2001 would be eligible to receive monies for these structures in FY 2001-2002.

Recommendations

1. Approve funding in the amount of $1,654,414 for on-going Public Facility Improvement programs.

2. Approval of increased funding in the amount of $67,000 for the San Francisco Conservation Corps and the Donaldina Cameron House is a policy matter for the Board of Supervisors.

Section V: Existing Facility Renovation - $1,423,520

The MOCD proposes to fund 18 agencies in the amount of $1,423,520 for Existing Facilities Renovation in FY 2001-02, an increase of $80,920 or 6.0 percent, from the FY 2000-01 budget allocation of $1,342,600.

The Rehabilitation of Existing Facilities primarily involves rehabilitating buildings to meet health, fire and safety codes and licensing requirements. All of the projects under this program are for capital improvements or new construction and do not fund staff or administrative costs. The proposed cost for each project is based on an estimate prepared by an architect and reviewed by MOCD. The actual expenditures will be determined through a competitive bid process in accordance with Federal regulations.

MOCD has proposed new or increased funding for 17 of the 18 existing community facilities as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Burt Children's Center Facility improvements, including upgrading electrical service, ADA compliance upgrades, and associated architectural and engineering services.	$0	$50,000	$50,000
Centro del Pueblo Facility improvements, including placing sewer lines, install walls and doors for increased office space, replacing fire exit door, and associated architectural and engineering services.	0	56,000	56,000
Chinatown Community Children's Center Construction of a level landing at Clay Street entrance and associated architectural and engineering services.	0	18,800	18,800

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Korean American Association Replace roof.	0	70,000	70,000
Home Away From Homelessness Facility improvements, including replacement of heating unit, installation of accessible ramp, repair and replacement of windows, and rehabilitation of plumbing.	0	62,550	62,550
Larkin Street Youth Center, 1044 Larkin Street Facility ADA improvements, including accessible ramp, accessible telephone and accessible drinking fountain; creation of office space; and associated architectural and engineering services.	0	45,450	45,450
Larkin Street Youth Center, 61 Moss Street Facility ADA improvements, including accessible ramp, accessible telephone and accessible drinking fountain; creation of office space; and associated architectural and engineering services.	0	40,480	40,480
Legal Assistance to the Elderly ADA improvements to men's and women's restrooms and associated architectural and engineering services.	0	20,000	20,000
Milestones Human Services, Inc. Renovation of heating, ventilation, and air conditioning system.	0	159,000	159,000
On Lok Facility improvements, including removal of ceiling grid and sprinklers and fabrication and installation of new ductwork to outside and new exhaust hoods.	0	90,000	90,000

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Telegraph Hill Neighborhood Association Fire safety upgrades, including installation of sprinkler heads, standpipe connection, and 4 inch water service tap; and modification of existing fire alarm system.	0	97,000	97,000
Tenderloin AIDS Resource Center Facility ADA improvements, including installation of door and hardware at main entry, replace carpeting with rubber treads, increased opening between offices; and renovation of heating, ventilation and air conditioning system; installation of new electrical outlets; and associated architectural and engineering services.	0	97,600	97,600
Walden House Upgrade plumbing, wiring and fixtures in kitchen and bathroom, and repair subfloor structural damage.	0	81,550	81,550
Walden House Installation of fire alarm system and wiring.	0	50,000	50,000
YMCA (Bayview Hunter's Point) Facility ADA improvements, including construction of first floor restrooms and renovation of ground floor restrooms.	0	275,000	275,000
Sage Project Facility improvements, including preparing foundation and building elevator pit, constructing elevator shaft and installing elevator, installing electrical connections and power for elevator, and associated architectural and engineering services.	100,000	115,000	15,000

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Ingleside Community Center Improvements to heating, ventilation, and air conditioning system; renovation of existing classroom; repair or replacement of existing doors, and associated architectural and engineering services.	25,000	30,000	5,000
Subtotal	$125,000	$1,358,430	$ 1,233,520

Proposed Existing Facility Renovation Budget for FY 2001-2002

Funding Description	Increase/ (Decrease) in FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$1,233,520
Subtotal Programs With No Funding Changes for FY 2001-2002	190,000
Total Funding for FY 2001-2002	$1,423,520

Comment

According to Mr. Pon, cost estimates for the capital improvement projects were developed by an architectural consultant and were reviewed by MOCD. All projects will be subject to the competitive selection of contractors.

Recommendations

1. Approve funding of $190,000 of the requested FY 2000-2001 CDBG amount of $1,423,520 for continuing programs.

2. Approval of requested funding of $1,233,520 for 17 new or expanded projects to be funded from the FY 2000-2001 CDBG program funds is a policy matter for the Board of Supervisors.

Section VI: New Facilities Development - $850,500

The MOCD proposes to allocate $850,500 to fund seven New Facilities Development Projects in FY 2001-02, an increase of $200,000, or 30.75 percent, from the FY 2000-01 budget allocation of $650,500. Six of these seven projects are new projects or have increases in funding, as noted below.

New facilities are defined as those projects in which the agency is purchasing or building new space, expanding into larger space, or renovating space for new programs not previously available from that agency. This program category involves development of multi-purpose neighborhood, senior, and mental health service centers in high need lower-income communities.

All of the projects under this program are for capital improvements or new construction and do not fund staff or administrative costs. Actual project expenditures will be determined by selection of a contractor through a public, competitive bidding process in accordance with Federal regulations.

Descriptions of the proposed New Facilities Development with new funding are as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
John W. King Senior Center Electrical, plumbing, and interior communication system.	$100,000	$175,000	$75,000
CVE, Inc. Installation of one accessible ramp and two 3-stall accessible restrooms.	0	70,000	70,000
Episcopal Community Services Improvements to 4425 square feet of office space.	0	144,000	144,000

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Meals on Wheels Improvements for ADA compliance, including an accessible Bush Street entrance, 2 accessible bathrooms, and signage.	0	91,500	91,500
Portola Family Connections Improvements for ADA compliance, including installation of 2 accessible children's bathrooms, and other improvements, including installation of a heating system, electrical upgrades, and installation of fire-rated egress door.	0	100,000	100,000
Self-Help for the Elderly ADA improvements, including 4 additional accessible restrooms, and other improvements, including installation of a fire-sprinkler system and elevator.	0	170,000	170,000
Subtotal	$100,000	$750,500	$650,500

Proposed New Facilities Development Budget for FY 2001-2002

Funding Description	Increase/ (Decrease) in FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$650,500
Subtotal Programs With No Funding Changes for FY 2001-2002	200,000
Total Funding for FY 2001-2002	**$850,500**

Comment

According to Mr. Pon, cost estimates for the capital improvement projects were developed by an architectural consultant and were reviewed by MOCD. All projects will be subject to the competitive bidding process.

Recommendations

1. Approval of requested funding of $650,500 for increased funding in existing projects or for new projects to be funded from the FY 2000-2001 CDBG program funds is a policy matter for the Board of Supervisors.

2. Approve $200,000 for continuing projects.

Section VII: Other Rehabilitation Program Pools - $3,192,370

The MOCD proposes to allocate $3,192,370 to three Rehabilitation Program Pools in FY 2001-02, an increase of $1,702,370, or a 114 percent increase from the FY 2000-01 budget allocation of 1,490,000 for the two Program Pools.

Descriptions of the proposed Program Pools with increased funding is as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Facility Emergency Relief Pool Provided emergency capital funding to existing facilities that encounter unforeseen code problems during construction	$1,090,000	$1,556,370	$466,370
Visitacion Valley Capital Loan Pool Provides loans for the construction of 2 projects in Visitacion Valley: John King Senior Center and Geneva Valley Development Corporation.	0	1,236,000	1,236,000
Subtotal	$1,090,000	$2,792,370	$1,702,370

Proposed Rehabilitation Program Pools Budget for FY 2001-2002

Funding Description	Increase/ (Decrease) in FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$1,702,370
Subtotal Programs With No Funding Changes for FY 2001-2002	1,490,000
Total Funding for FY 2001-2002	**$3,192,370**

Comments

1. FY 2001-2002 Disability Access Upgrade Program Pool funds of $400,000 are unchanged from FY 2000-2001. Mr. Pon states that these funds will be used to pay for required ADA upgrades and improvements in existing and new facility construction and renovation projects, noted in Sections V and VI above, that were not foreseen at the outset of the project.

2. According to Mr. Pon, the Facility Emergency Relief Pool provides funds to existing and new facility construction and renovation projects, noted in Sections V and VI above, that encounter unforeseen code or construction problems during the construction or renovation of the facility. Funds are also available to cover certain predevelopment expenses associated with the development of a new center. The actual amount of funds in the Facility Emergency Relief Pool increased by $466,370, from $1,090,000 in FY 2000-2001 to $1,556,370 in FY 2001-2002. The Budget Analyst recommends placing these additional funds in the amount of $466,370 on reserve, pending submission of budget details.

3. MOCD has included $1,236,000 in the FY 2001-2002 budget to fund loans to two non-profit organizations, John W. King Senior Center and Geneva Valley Development Corporation, for construction of a senior center and a community center in Visitacion Valley. According to Mr. Pon, these loans would be secured, low-interest loans, to be paid back over a term of approximately 20 years.

Recommendations

1. Reserve $466,370, as noted in Comment 2.

2. Approval of $1,702,370 in new and increased funding in existing programs or new funding is a policy matter for the Board of Supervisors.

3. Approve $1,490,000 of the requested $1,490,000 in FY 2000-2001 CDBG funding.

Section VIII: Public Services Program - $4,903,000

The MOCD proposes to fund 82 Public Service programs in the amount of $4,903,000 in FY 2001-02, a decrease of $83,673, or 1.7 percent, from the FY 2000-01 budget allocation of $4,986,673, which funded 80 Public Service programs. Of the 82 Public Service programs 23 are receiving funding increases, five of the 23 are new grantees in FY 2001-2002.

Descriptions of the proposed Public Service Programs with new or increased funding are as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
African Immigrant and Refugee Resource Center Provides ESL instruction, job development and training to African immigrants, refugees and low-income residents.	$66,600	$67,000	$400
Arab Cultural Center Provides youth development services, particularly to Arab American girls.	30,000	60,000	30,000
Bay Area Legal Aid (SF N Legal Asst Foundation) Provides legal assistance that helps women achieve economic self-sufficiency.	41,700	42,000	300
Bayview Hunters Point Network for Elders Provides low cost in-home and case management care for seniors BVHP neighborhood.	32,830	33,000	170
Booker T. Washington Community Service Center Provides after school tutoring, computer skills, counseling and referral services.	60,900	61,000	100

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Catholic Youth Organization/Mission Day Care Provides child-care and parenting education services to low-income residents in San Francisco.	61,325	61,500	175
Central American Resource Center (CARECEN) Provides work permit application assistance to low-income Latino immigrants.	32,000	40,000	8,000
Central City Hospitality House Provides job training counseling and employment and retention services.	48,416	48,500	84
Chinese Newcomers Service Center Provides bilingual job preparation, information, placement and retention services for immigrants.	30,927	71,000	40,073
Community United Against Violence Provides critical services to gay, lesbian, bisexual and transgender victims of domestic violence.	26,700	27,000	300
Community Youth Center (Chinatown) Provides s job skills enhancement and placement primarily to Asian immigrant youth.	37,676	38,000	324
Compass Community Services Provides food, clothing, youth and family services to homeless and low-income families.	36,600	37,000	400

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Donaldina Cameron House Provides multi-lingual employment readiness training for Asian female domestic violence victims.	23,911	24,000	89
Hearing Society for the Bay Area Provides comprehensive work readiness and soft skills training for deaf and hard of hearing teens and young adults.	20,000	22,000	2,000
Lyon-Martin Women's Health Services Provides primary heaths services to low income women.	77,465	77,500	35
Mission Hiring Hall, Inc. Provides comprehensive bilingual employment training, placement and retention services to low-income immigrants.	118,738	119,000	262
Nihonmachi Legal Outreach Provides legal services in covering family law, domestic violence and immigration and naturalization.	92,640	93,000	360
Self-Help for the Elderly Provides Home Health Aid training to limited English speaking adults for certification by the State.	50,380	50,500	120

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
St. John's Educational Thresholds Center Provides educational enrichment for youth and education workshops for parents.	25,200	25,500	300
Tenderloin Housing Clinic, Inc Provide free legal counseling and representation in North and South of Market to monolingual tenants and individuals facing eviction.	87,450	87,500	50
Tides Center/St. Peter's Housing Committee Provides housing counseling to help low income renters preserve their affordable housing.	31,571	32,000	429
Toolworks Provides training for individuals with disabilities in interior landscaping jobs.	46,770	47,000	230
Whitney Young Child Development Center Provides night and evening computer training classes to residents in the Bayview neighborhood in conjunction with child-care.	77,160	77,500	340
Asian Pacific American Community Center Collaboration between John King Senior Center and Asian pacific American Community Center to provide nutrition and social activities to Asian seniors.	0	50,000	50,000

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
Juma Ventures Provides comprehensive support and employment services to unemployed youth exiting the foster care system.	0	25,000	25,000
Queer Youth Training Collaborative Provide outreach and job linkage and other supportive services to LGBTQ youth 18-25.	0	40,000	40,000
Sunset District Community Development Corp. Provide healthy food to very low-income public housing residents and elderly immigrants living on fixed incomes.	0	42,000	42,000
Veteran's Equity Center Provides social services to over 2000 Filipino Veterans in San Francisco and their families with limited language capacity.	0	35,000	35,000
Vietnamese Elderly Mutual Assistance Assn. To re-establish a senior center in the Tenderloin and provide support services to elderly low-income Vietnamese seniors.	0	35,000	35,000
Subtotal	$1,156,959	$1,468,500	$311,541

The table that follows is MOCD's proposed FY 2001-2002 Public Service Program reductions for the listed agencies. All of the reductions shown were negotiated between the agencies and MOCD.

Proposed Public Service Program Reductions for FY 2001-2002

Program	FY 2000-2001	Proposed FY 2001-2002	Proposed FY 2001-2002 Reduction
Bay Area Video Coalition Provides multi-media training to low-income San Francisco residents.	150,000	125,000	(25,000)
Career Resources Development Center Provides job readiness training placement and retention services to immigrants and refugees and other disadvantaged adults.	92,558	90,000	(2,558)
Career Resources Development Center Provides after-school tutorials, computer training, and leadership skills to homeless and runaway youth.	36,000	35,000	(1,000)
Ella Hill Hutch Community Center Provides two occupational classroom training programs leading to certification in paralegal and culinary arts, computer literacy for all ages and supplementary education (GED).	176,500	150,000	(26,500)
Hunters Point Community Youth Park Foundation Provides after-school educational and recreation summer program to youth in public housing. Also includes a nutrition component.	172,144	152,000	(20,144)
La Raza Centro Legal Provides bilingual advocacy and representation services to low-income persons.	156,800	141,000	(15,800)
Local economic Assistance Program/OpNet Provides multi-media and job-readiness training to young adults.	62,000	50,000	(12,000)
Milestones Human Services, Inc. Provides job retention and mentoring services to persons coming out of the criminal justice system.	44,557	44,500	(57)

Program	FY 2000-2001	Proposed FY 2001-2002	Proposed FY 2001-2002 Reduction
Mission Language and Vocational School, Inc. Provides job training and placement services and vocational English training.	214,000	197,000	(17,000)
Mission Learning Center (Reading Clinic) Provides after-school tutoring program for youth and parenting education for adults.	106,575	106,500	(75)
Renaissance Parents of Success Provides job placement and training and comprehensive computer education for young adults.	133,489	125,000	(8,489)
Bayview Hunters Point Foundation (Community Defender) Provides criminal legal representation to 60 clients and referral services to 30 low-income residents of BVHP, Potrero Hill and Visitation Valley.	60,000	0	(60,000)
Chinese Newcomers Service Center Provides bilingual job reparation services to immigrants in Chinatown, Sunset and Visitacion Valley.	50,000	0	(50,000)
SF Educational Services Provides educational services to youth in public housing in the Bayview area. The organization has terminated all City contracts and ceased all operations.	45,000	0	(45,000)
SF League of Urban Gardeners Provides housing counseling services to low income residents and did not apply for funding in the current funding cycle.	33,000	0	(33,000)
Vietnamese Community Center Provides case management and employment referral services for Vietnamese speaking persons in the Tenderloin. (Missed funding application deadline).	68,555	0	(68,555)
Youth For Service Provides computer skills training. Emphasis on hardware maintenance and repair.	10,000	0	(10,000)
Total	$1,611,178	$1,216,000	($395,178)

The following table is a summary of MOCD's Proposed FY 2001-2002 funding totals for the Public Service Program.

Total Budget of Public Services Program for FY 2001-2002

Funding Description	Increase/ (Decrease) in FY 2001-2002 Budget
Subtotal Summary of all Programs with decreases in funding for FY2001-2002	$1,216,000
Subtotal Summary of all programs with increases in funding for FY 2001-2002	1,468,500
Subtotal Programs with no changes in funding for FY 2001-2002	2,218,500
Total Proposed Funding for Public Services in FY 2001-2002	**$4,903,000**

Comments:

1. According to Ms. Pam David of MOCD attempts were made to limit Public Service Program grant awards to $50,000 during this year's funding cycle. In addition, MOCD has instituted a funding ceiling of $125,000 per agency for CDBG funded programs. For agencies currently above the new funding ceiling, MODC negotiated larger reductions and a lower grant award. Agencies with funding above the $125,000 ceiling have been directed to secure alternative funding sources over the next three years.

2. Ms. David notes that as an incentive to lower program costs, MOCD has offered core organizations with good track records three-year contracts, contingent on the grantees' ability to reduce program costs each year to reduce their funding to below the $125,000 ceiling. MOCD has informed these organizations that the three-year commitment is subject to the availability of funds.

3. MOCD also notes that organizations that fail to meet agreed upon performance standards are monitored on an ongoing basis until conditions improve. In addition MOCD staff make at least three site visits annually to every grantee in order to monitor performance and contract compliance.

4. According to Mr. Joe Lam of MOCD, programs that were funded in FY 2000-2001 which did not receive funding in FY 2001-2002 did not make a new funding request to MOCD except for the Vietnamese Community Center which submitted a late application but was denied.

Recommendations

1. Approve funding of $4,591,459 out of the requested FY 2000-2001 CDBG amount of $4,903,000 for continuing programs.

2. Approval of funding for new programs and increased funding for existing programs in the amount of $311,541 is a policy matter for the Board of Supervisors.

Section IX: Economic Development Program - $1,068,500

The MOCD proposes to allocate $1,068,500 in FY 2001-2002 to fund one new and eleven existing Economic Development Programs and the MOCD Economic Development Pool, a decrease of $80,676, or approximately 7 percent, from the FY 2000-2001 budget allocation of $1,149,176.

Descriptions of the proposed Economic Development Programs that would receive new or increased funding are shown in Table 1 below.

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
CVE, Inc. Provides job training, placement and retention services for individuals with psychiatric disabilities and other low-income populations	$41,142	$41,500	$358
Mission Economic Development Association Provide loan packaging and technical assistance for small businesses, women and/or minority-owned businesses	266,734	267,000	266
Northeast Community Federal Credit Union Provide neighborhood banking services and credit counseling in the Tenderloin	50,000	75,000	25,000
Private Industry Council of San Francisco Tax-credit technical assistance program that encourages employers, especially those located in Enterprise Zones, to hire low-income individuals	70,000	75,000	5,000
San Francisco Black Chamber of Commerce Provide loan packaging and technical assistance to small businesses, women-owned and minority owned businesses	0	200,000	200,000
Subtotal	$427,876	$658,500	$230,624

Proposed Economic Development Program Budget for FY 2001-2002

Funding Description	Proposed FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$230,624
Subtotal Programs with No Funding Changes for FY 2001-2002	837,876
Total Funding for FY 2001-2002	**$1,068,500**

The Budget Analyst has reviewed details of the summary budgets noted above.

Comments

1. MOCD has proposed to allocate $200,000 for the San Francisco Black Chamber of Commerce to fund loan packaging and technical assistance to small, women-owned and minority-owned businesses. Mr. Sanders reports that FY 2001-2002 is the first year that the San Francisco Black Chamber of Commerce would be receiving CDBG funds. However, the San Francisco Black Chamber of Commerce would provide the same services as the Urban Economic Development Corporation, which was originally funded at $211,300 in FY 2000-2001, but closed its operations prior to receiving any CDBG funds. According to Mr. Sanders, unused funds from FY 2000-2001 in the amount of $211,300 for the Urban Economic Development Corporation have been reallocated in FY 2001-2002 to other programs.

2. In FY 2000-2001, the Board of Supervisors placed on reserve $100,000 for the Mayor's Office of Economic Development to fund technical assistance services for small businesses in the Chinese community. Mr. Sanders reports that such funds are still on reserve.

Recommendations

1. Approve funding of $837,876 of the requested FY 2001-2002 CDBG amount of $1,067,500 for new or continuing programs.

2. Approval of funding for new programs and increased funding for existing programs in the amount of $230,624 is a policy matter for the Board of Supervisors.

Section X: Microenterprise Assistance - $711,500

The MOCD proposes to allocate $711,500 in FY 2001-2002 to fund seven existing Microenterprise Assistance Programs, an increase of $708, or less than one percent, from the FY 2000-2001 budget allocation of $710,792.

Descriptions of the proposed Microenterprise programs that would receive increased funding are as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
CAHEED Provide family child care entrepreneurship training, particularly to TANF and CalWORKs individuals	$58,192	$58,500	$308
Southeast Asian Community Center Provide loan packaging and technical assistance	100,100	100,500	400
Subtotal	$158,292	$159,000	$708

Proposed Microenterprise Assistance Program Budget for FY 2001-2002

Funding Description	Proposed FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$708
Subtotal Programs with No Funding Changes for FY 2001-2002	710,792
Total Funding for FY 2001-2002	$711,500

The Budget Analyst has reviewed details of the summary budgets noted above, and has found that the requested amount, including the $708 in increased funds, is reasonable.

Recommendation

Approve the requested FY 2001-2002 CDBG amount of $711,500 for Microenterprise Assistance programs.

Section XI: Higher Education - $65,000

The MOCD proposes to allocate $65,000 to fund a new City College of San Francisco (CCSF) Small Business Development Program, as follows:

Program	FY 2000-01 Budget	Proposed FY 2001-02 Budget	Increase in FY 2001-02 Budget
CCSF Small Business Development Program	0	65,000	65,000
Total New Funding			**$65,000**

Comment

According to Mr. Sanders, CCSF would receive $65,000 in new grant funding for a Small Business Development Center. CCSF would provide technical assistance to small businesses with loan approval for their businesses. Under this program, the Small Business Development Center would provide one-on-one business consulting to small and emerging business clients, provide training to MOCD staff on improving their technical assistance, and provide follow-up training and support for selected businesses.

Recommendations

Approval of new funding for a new program in the amount of $65,000 is a policy matter for the Board of Supervisors.

Section XII: Planning and Capacity Building - $620,263

The MOCD proposes to allocate $620,263 in FY 2001-2002 for planning and capacity building, a decrease of $115,298 or approximately 15.7 percent, from the FY 2000-2001 budget allocation of $735,561. This category provides funds to agencies to support short- and long-range planning and development.

Descriptions of the proposed Planning and Capacity Building programs that would receive new or increased funding are as follows:

Summary of Programs with Increased Funding and New Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
MOH Planning and Capacity Building Pool Provide support for planning and capacity building	$50,000	$100,000	$50,000
MOCD Consolidated Planning Provide support consolidated planning efforts	96,498	103,263	6,765
MOCD Technical Assistance Provide support for technical assistance projects	0	175,000	175,000
Christmas in April Support capacity building involving Board and staff in the areas of leadership, governance, fundraising, marketing, technology planning and other related areas	0	15,000	15,000
Bar Association of San Francisco/ Volunteer Legal Services Research the needs of low income noncustodial parents and their families	0	12,000	12,000
Sojourner Truth Foster Family Service Agency Plan for a new cosmetology school designed to provide vocational training for lower income individuals and emancipated foster youth	0	15,000	15,000
Subtotal	$146,498	$420,263	$273,765

Proposed Planning and Capacity Building Budget for FY 2001-2002

Funding Description	Proposed FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$273,765
Subtotal Programs with No Funding Changes for FY 2001-2002	346,498
Total Funding for FY 2001-2002	**$620,263**

Comments

1. According to Ms. Anna Yee of MOCD, funding for planning and capacity building is provided to community organizations on a one-time basis for one of two purposes: (a) to assist with organizational development, such as board and staff training, and strategic planning, or (b) to assist in the development of evaluations, feasibility studies and plans for projects. MOCD is recommending new funding for the three organizations noted on the previous page in FY 2001-2002 for such purposes (Christmas in April, Bar Association of San Francisco and Sojourner Truth Family Services Agency will each receive $15,000 in new funding).

2. Mr. Daryl Higashi of the MOH states the MOH Planning and Capacity Building Pool would provide funds during the fiscal year for organizational development, evaluations, feasibility studies and planning to organizations through a proposal submission and review process during the FY 2001-2002 program year. The requested allocation for the MOH Planning and Capacity Building Pool in FY 2001-2002 is $100,000, an increase of $50,000 or 100 percent from the FY 2000-2001 allocation of $50,000.

The Budget Analyst notes that MOH has budgeted a total of $80,000 in funds for a proposed MOH management information system. Of this amount, according to Mr. Higashi, $50,000 has been included in the subject Planning and Capacity Building Pool budget and $30,000 has been included in the proposed FY 2001-2002 MOH's HOME program administration budget (File 01-0622). The Budget Analyst recommends placing $80,000 on reserve, including the $50,000 of the requested FY 2001-2002 allocation of $100,000 for the Planning and Capacity Building Pool and $30,000 in the MOH's HOME program administration budget.

3. Ms. Yee states that HUD requires a one-year and five-year plan for the Emergency Shelter Grant, CDBG, Home Investment Partnership, and Housing Options for People With AIDS programs. MOCD Consolidated

Planning funds are used to pay for administrative costs, including staff time to prepare the required FY 2001-2002 one-year plan. The requested FY 2001-2002 allocation of $103,263 is $6,765 or 7 percent more than the FY 2000-2001 allocation of $96,498 due to step increases or COLA increases for MOCD staff.

4. MOCD has proposed to allocate $175,000 to MOCD Technical Assistance for technical assistance to nonprofits. According to Ms. Yee, FY 2001-2002 is the first year that MOCD Technical Assistance would be receiving CDBG funds. However, the MOCD Technical Assistance would provide the same assistance to nonprofit organizations as the Volunteer Center of San Francisco, which received $25,000 in funding in FY 2000-2001, and the Support Center for Nonprofit Management (formerly known as Compass Point), which received a total of $150,000 in funding in FY 2000-2001. Both the Volunteer Center of San Francisco and the Support Center for Nonprofit Management are not budgeted to receive Planning and Capacity Building funds in FY 2001-2002.

Recommendations

1. Place $50,000 of the requested FY 2001-2002 MOH Planning and Capacity Building Pool allocation of $100,000 on reserve, for the Management Information System, pending submission of budget details, as noted in Comment No. 2.

2. Approve the requested FY 2001-2002 Planning and Capacity Building allocation of $346,498 for continuing programs.

3. Approval of funding for new or increased programs in the amount of $273,765 is a policy matter for the Board of Supervisors.

Section XIII: Program Administration - $4,721,312

The proposed budget of $4,721,312 for Program Administration in FY 2001-2002 represents an increase of $317,853 or 7.2 percent, from the FY 2000-2001 Program Administration budget allocation of $4,403,459. Program Administration funds are allocated among six City Departments, including the Controller's Office, the Mayor's Office of Community Development, the Mayor's Office of Housing, the City Attorney's Office, the Human Rights Commission, and the Planning Department. The summary budget for Program Administration is as follows:

Department	FY 2000-01 Budget	Proposed FY 2001-02 Budget	Increase/ (Decrease) in FY 2001-02 Budget
Controller			
Audit and Indirect Costs	$60,000	$60,000	$0
Audit and Indirect Costs (MOH)	60,000	$60,000	0
Subtotal	$120,000	$120,000	$0
Mayor's Office of Community Development			
Administration	2,418,436	2,531,177	112,741
Enterprise Community Program	54,671	70,561	15,890
Environmental Review	15,000	15,000	0
Office of Homeless	54,744	121,134	66,390
Disability Council	10,000	10,000	0
Subtotal	$2,552,851	$2,747,872	$195,021
Mayor's Office of Housing			
Affordable Housing Bonds	129,329	175,197	45,868
Administration	1,101,038	1,167,409	66,371
Environmental Review	15,000	5,000	(10,000)
Lead Program	185,241	190,834	5,593
Subtotal	$1,430,608	$1,538,440	$107,832

Department	FY 2000-01 Budget	Proposed FY 2001-02 Budget	Increase/ (Decrease) in FY 2001-02 Budget
City Attorney's Office			
MOCD	25,000	25,000	0
MOH	25,000	25,000	0
Subtotal	$50,000	$50,000	0
Human Rights Commission	125,000	125,000	0
MOCD	125,000	125,000	0
MOH	250,000	250,000	0
Planning Department			
MOCD	0	7,500	7,500
MOH	0	7,500	7,500
	0	15,000	15,000
Total Program Administration	**$4,403,459**	**$4,721,312**	**$317,853**

Comments

1. As noted above, the proposed FY 2001-2002 Program Administration budget of $4,721,312 is $317,853 or 7.2 percent more than the FY 2000-2001 Program Administration budget of $4,403,459.

2. The FY 2001-2002 budget contains 72 full time equivalent (FTE) positions, which is unchanged from the 72 budgeted FTEs in FY 2000-2001. The proposed FY 2001-2002 budget for personnel costs is $3,592,312 which is $215,051 or 6.4 percent, more than the FY 2000-2001 budget of $3,377,261 for personnel costs. The proposed FY 2001-2002 budget includes funds for salary step and cost of living increases. In addition, during FY 2000-2001, MOCD (a) upgraded three vacant positions into higher classifications and downgraded one vacant position into a lower classification, and (b) reclassified four filled positions into higher classifications, without Board of Supervisors approval. The Budget Analyst notes that, although MOCD did not incur a net increase in personnel costs during FY 2000-2001 for these upgraded and reclassified positions, the future personnel costs to MOCD will increase due to these higher classifications.

3. Additionally, the MOCD proposed FY 2001-2002 budget includes four proposed reclassifications of filled Special Assistant positions to higher level Special Assistant classifications, totaling $9,256 in increased salary costs.

The Budget Analyst recommends placing funds in the amount of $9,256 on reserve, pending approval of reclassification of these positions.

5. In the proposed budget, an additional $50,000 has been included for administrative expenses for the Homeless Board, which coordinates City homeless programs. According to Mr. Sanders, in prior years, expenses for telephone, mailings, reproduction, and other related costs for the Homeless Board were included in the MOCD administration budget. The Budget Analyst notes that the $50,000 included in the Homeless Board budget for such operational costs represents a $50,000 increase in such costs. The Budget Analyst recommends placing $50,000 on reserve, pending submission of a detailed budget for these operational costs.

6. The proposed FY 2001-2001 Program Administration budget also includes $44,656 in additional funds for (a) office space rent increases, (b) telecommunication rate increases, (c) storage of an MOH work display, (d) conference and travel expenses for MOH employees, and (e) $20,000 for development of a Management Information System (MIS) through DTIS. According to Mr. Roger Sanders of MOCD, MOCD has entered into a work-order agreement with DTIS to develop a database, allowing nonprofit organizations to submit program and budget information to MOCD electronically.

Recommendations

1. Reserve $59,256 as noted in Comments 3 and 5, including $9,256 for salaries pending reclassification of positions, and $50,000 in administrative expenses pending submission of budget details to the Board of Supervisors.

2. Approve $4,403,459 of the requested $4,721,312 in FY2001-2002 CDBG funding.

3. Approval of $317,853 in increased funding is a policy matter for the Board of Supervisors.

Section XIV: Program Income-Funded Activities- $11,291,433

Federal HUD regulations require that anticipated income to MOCD, MOH, and the San Francisco Redevelopment Agency (SFRA) from CDBG programs in FY 2001-2002 be allocated through the submission of the FY 2001-2002 application for CDBG funds. MOCD, MOH, and SFRA anticipate program income in the amount of $11,291,433 in FY 2001-2002 from the repayment of economic development loans, housing rehabilitation loans, and land sales and rental income.

The proposed FY 2001-2002 budget for Program Income-Funded Activities is as follows:

Summary of Programs

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
MOCD 108 Economic Development Loan Repayment Provides loans of $100,000 or more to businesses that are determined to be consistent with the Program's economic development initiatives	$2,478,275	$2,478,275	$0
MOCD Section 108 Daycare Repayment Provides loans specified for childcare facilities	250,000	1,007,158	757,158
MOCD Small Business Loan Program Provides loans to existing small businesses up to $100,000	750,000	750,000	0
MOCD Microenterprise Loan Program Provides loans up to $10,000 to support microenterprises and self employment enterprises	250,000	250,000	0
MOCD Capital Improvement Revolving Loan Fund Revolving loan fund for the capital costs of constructing or renovating facilities to provide space for non profit organizations.	1,189,000	5,000,000	3,811,000

Program	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increases in FY 2001-2002 Budget
MOH Community Housing Rehabilitation Revolving Loan Program Provides financial and technical assistance to eligible low-income home owners	240,000	240,000	0
SFRA Central Relocation Services Provides temporary housing assistance to fire victims	100,000	100,000	0
SFRA Economic Development Provides funds for economic development, such as job training in low-income areas	606,000	604,000	(2,000)
SFRA Job Training Provides funds to Bay View Hunters Point Center for Arts and Technology, a non profit organization, to provide job training, assistance, and placement	0	350,000	350,000
SFRA General Program Administration	612,000	512,000	(100,000)
Subtotal	$6,475,275	$11,291433	$4,816,158

Proposed Program Income-Funded Activities Budget, FY 2001-2002

Funding Description	Increase/ (Decrease) in FY 2001-2002 Budget
Subtotal Summary of Increased Funding in Existing Programs or New Programs	$4,816,158
Subtotal Programs With No Funding Changes for FY 2001-2002	6,475,275
Total Funding for FY 2001-2002	$11,291,433

Comments

1. In FY 2000-2001, MOCD included a new Capital Projects Pool, totaling \$1,350,000 to provide grants for pre-development costs for non-housing capital projects and for assistance to nonprofit organizations in obtaining building space. In the proposed FY 2001-2002 budget, MOCD proposes to change this fund to the Capital Improvement Revolving Loan Fund, and increase the fund balance by \$3,811,000, from \$1,350,000 to \$5,000,000. This fund would be used as a revolving loan fund to pay the capital costs of constructing or renovating office space for nonprofit organizations. Funds resulting from the repayment of the loan by the nonprofit organizations would be re-deposited into the revolving fund. Attachment II, provided by Ms. Pam David of MOCD, explains the new Capital Improvement Revolving Loan Fund.

2. The proposed FY 2001-2002 budget includes an additional \$757,158 in funding for the Section 108 Daycare Repayment program, increasing program funding from \$250,000 in FY 2000-2001 to \$1,007,158 in FY 2001-2002. In FY 1999-2000, MOCD borrowed \$8,000,000 from HUD to finance the loan program[1], providing low interest loans for capital costs of childcare facilities. Loan repayments paid by the child care facilities to MOCD are used for the City's loan repayments to HUD. The amount budgeted for Section 180 Daycare Repayment is based on the amortization schedule of the loan provided by HUD to MOCD.

3. As shown on the previous page the proposed FY 2001-2002 budget contains \$350,000 in new funding for the San Francisco Redevelopment Agency (SFRA) Job Training program. According to Mr. Mario Menchini of SFRA, these funds would go to Bayview Hunters Point Center for Arts and Technology, a non profit organization, for design and engineering services for the construction of a job training and education facility to be located at the former Navy-owed property at Hunters Point.

Recommendations

1. Approval of \$4,816,158 in new funding, including \$3,811,000 in funding for the Capital Improvement Involving Loan Fund, is a policy matter for the Board of Supervisors.

2. Approve \$6,475,275 of the requested \$11,291,433 FY 2001-2002 CDBG funding.

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[1] Under the terms of the loan agreement with HUD, MOCD can borrow up to \$10,000,000 for capital loans to day care facilities. MOCD draws down this \$8,000,000 balance, based on the demand for day care facility capital loans.

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
I. Housing Program Administration					
Asian Neighborhood Design	$319,000	$319,000	$0		$0
ASIAN, Inc.	211,180	211,180	0		0
Bernal Heights Neighborhood Center	248,800	248,800	0		0
Chinatown Community Development Center	381,761	381,761	0		0
Community Design Center	115,000	155,437	40,437		40,437
Community Housing Partnership	96,085	96,085	0		0
GP/TODCO, Inc.	191,713	210,000	18,287		18,287
Housing Conservation & Development Corporation	270,821	270,821	0		0
Mission Housing Development Corporation	360,000	360,000	0		0
Tenderloin Neighborhood Development Corporation	288,000	288,000	0		0
Christmas in April	0	0	0		0
Mission Economic Development Assn	0	0	0		0
	$2,482,360	$2,541,084	$58,724		$58,724
II. Housing Pools					
Housing Development Pool	$5,406,701	$5,347,977	($58,724)		$0
	$5,406,701	$5,347,977	($58,724)		$0
III. Capital Projects: Public Housing					
SF Housing Authority (Ping Yuen)	$0	$104,560	$104,560		$104,560
SF Housing Authority (Ping Yuen)	0	101,000	101,000		101,000
SF Housing Authority	0	0	0		0
SF Housing Authority	0	0	0		0
SF Housing Authority	0	0	0		0
SF Housing Authority	0	0	0		0
SF Housing Authority		0	0		0
SF Housing Authority	80,000	0	(80,000)		0
SF Housing Authority	100,000	0	(100,000)		0
SF Housing Authority	47,000	0	(47,000)		0
SF Housing Authority	24,000	0	(24,000)		0
	$251,000	$205,560	($45,440)		$205,560
IV. Capital Projects: Public Facility Improvement					
SF Conservation Corps	$1,210,714	$1,227,714	$17,000		$17,000
SF League of Urban Gardeners	255,500	243,700	(11,800)		0
Donaldina Cameron House	0	50,000	50,000		50,000
Public Space Improvement Pool	200,000	200,000	0		0
	$1,666,214	$1,721,414	$55,200		$67,000

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
V. Capital Projects: Rehabilitation Existing Facilities					
Ingleside Community Center	$25,000	$30,000	$5,000		$5,000
Sage Project	100,000	115,000	15,000		15,000
Walden House (1885 Mission)	81,500	65,000	(16,500)		0
Burt Children's Center	0	50,000	50,000		50,000
Centro del Pueblo	0	56,000	56,000		56,000
Chinatown Community Children's Center	0	18,800	18,800		18,800
Home Away From Homelessness	0	62,550	62,550		62,550
Larkin Street Youth Center	0	45,540	45,540		45,540
Larkin Street Youth Center	0	40,480	40,480		40,480
Legal Assistance to the Elderly	0	20,000	20,000		20,000
Milestones Human Services Inc.	0	159,000	159,000		159,000
On Lok	0	90,000	90,000		90,000
Telegraph Hill Neighborhood Assn	0	97,000	97,000		97,000
Tenderloin AIDS Resource Center	0	97,600	97,600		97,600
Walden House	0	81,550	81,550		81,550
Walden House	0	50,000	50,000		50,000
YMCA (Bayview Hunter's Point)	0	275,000	275,000		275,000
Arriba Juntos	100,000	0	(100,000)		0
Mission Language and Vocational School, Inc.	56,500	0	(56,500)		0
Potrero Hill Neighborhood House	120,000	0	(120,000)		0
Bayview Opera House	0	0	0		0
Hunters Point Boys' & Girls' Club	0	0	0		0
Korean American Association	0	70,000	70,000		70,000
Recreation Center for the Handicapped	0	0	0		0
Ark of Refuge	48,300	0	(48,300)		0
Asian Neighborhood Design	50,000	0	(50,000)		0
CAHEED	60,000	0	(60,000)		0
Coleman Advocates for Children	115,000	0	(115,000)		0
Economic Opportunity Council of SF	80,000	0	(80,000)		0
Economic Opportunity Council of SF	45,000	0	(45,000)		0
Meals on Wheels	45,000	0	(45,000)		0
Mission Neighborhood Centers	68,000	0	(68,000)		0
Southwest Community Corporation	50,000	0	(50,000)		0
St Boniface Neighborhood Center	175,000	0	(175,000)		0
Swords to Plowshares	66,300	0	(66,300)		0
Visitacion Valley Community Center	30,000	0	(30,000)		0
Visitacion Valley Community Center	12,000	0	(12,000)		0
YMCA of SF	15,000	0	(15,000)		0

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
VI. Capital Projects: Rehabilitation New Facility					
John W. King Senior Center	$100,000	$175,000	$75,000		$75,000
North of Market Senior Services	100,000	100,000	0		0
CVE, Inc.	0	70,000	70,000		70,000
Episcopal Community Services	0	144,000	144,000		144,000
Meals on Wheels	0	91,500	91,500		91,500
Portola Family Connections	0	100,000	100,000		100,000
Self-Help for the Elderly	0	170,000	170,000		170,000
Community Center Project	90,000	0	(90,000)		0
Career Resources Development Center	0	0	0		0
Compass Community Services	0	0	0		0
Hunter's Point Educational Group	0	0	0		0
In Home Supportive Services	0	0	0		0
Kai Ming Headstart	0	0	0		0
Northern California Council for the Community	0	0	0		0
Sojourner Truth Foster Family Service Agency	0	0	0		0
Charity Cultural Services Center	110,500	0	(110,500)		0
Geneva Valley Development Corporation	150,000	0	(150,000)		0
YMCA of SF	100,000	0	(100,000)		0
	$650,500	$850,500	$200,000		$650,500
VII. Pools					
Disability Access Upgrade Program Pool	$400,000	$400,000	$0		$0
Facility Emergency Relief Pool	1,090,000	1,556,370	466,370	Reserve $466,370	466,370
Visitacion Valley Capital Completion Program	0	1,236,000	1,236,000		1,236,000
	$1,490,000	$3,192,370	$1,702,370	Reserve $466,370	$1,702,370
VIII. Public Services					
African Immigrant and Refugee Resource Center	$66,600	$67,000	$400		$400
AIDS Legal Referral Panel	39,500	39,500	0		0
Allen Community Development Corporation	75,000	75,000	0		0
Arab Cultural Center	30,000	60,000	30,000		30,000
Ark of Refuge	70,000	70,000	0		0
Asian Law Caucus, Inc.	55,500	55,500	0		0
Asian Women's Shelter	31,500	31,500	0		0
Bar Association of SF/Volunteer Legal Services	30,000	30,000	0		0
Bay Area Legal Aid (SF N Legal Asst Fdn)	41,700	42,000	300		300
Bay Area Video Coalition	150,000	125,000	(25,000)		0

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
Bayview Hunters Point Network For Elders	32,830	33,000	170		170
Booker T. Washington Community Service Center	60,900	61,000	100		100
BRAVA! for Women in the Arts	47,000	47,000	0		0
Career Resources Development Center	92,558	90,000	(2,558)		0
Career Resources Development Center	36,000	35,000	(1,000)		0
Catholic Youth Organization/Mission Day Care	61,325	61,500	175		175
Central American Resource Center (CARECEN)	32,000	40,000	8,000		8,000
Central City Hospitality House	48,416	48,500	84		84
Charity Cultural Services Center	100,000	100,000	0		0
Chinese for Affirmative Action	100,000	100,000	0		0
Chinese Newcomers Service Center	30,927	71,000	40,073		40,073
Community Alliance for Special Education (CASE)	25,000	25,000	0		0
Community United Against Violence	26,700	27,000	300		300
Community Youth Center (Chinatown YC)	37,676	38,000	324		324
Compass Community Services	36,600	37,000	400		400
Donaldina Cameron House	23,911	24,000	89		89
Ella Hill Hutch Community Center	176,500	150,000	(26,500)		0
Episcopal Community Services of SF	30,000	30,000	0		0
Filipino-American Council of SF	50,000	50,000	0		0
Glide Foundation	56,000	56,000	0		0
Haight Ashbury Food Program	25,000	25,000	0		0
HAPPY (Haight Ashbury Play Program for Youth)	35,000	35,000	0		0
Hearing Society for the Bay Area, Inc.	20,000	22,000	2,000		2,000
Hunters Point Boys & Girls Club	20,000	20,000	0		0
Hunters Point Community Youth Park Foundation	172,144	152,000	(20,144)		0
Independent Living Resource Center of SF	60,000	60,000	0		0
Ingleside Community Center	68,500	68,500	0		0
Instituto Laboral de la Raza	68,000	68,000	0		0
Jewish Vocational Services	60,000	60,000	0		0
John W. King Senior Center	125,000	125,000	0		0
Korean Center, Inc.	73,000	73,000	0		0
La Casa de las Madres	52,000	52,000	0		0
La Raza Centro Legal	156,800	141,000	(15,800)		0
Larkin Street Youth Center	25,000	25,000	0		0
Lavender Youth Recreation and Information Center (LYRIC)	30,000	30,000	0		0
LEAP/OpNet	62,000	50,000	(12,000)		0

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
Legal Assistance to the Elderly	30,000	30,000	0		0
Lyon-Martin Women's Health Services	77,465	77,500	35		35
Milestones Human Services, Inc.	44,557	44,500	(57)		0
Mission Education Projects, Inc.	50,000	50,000	0		0
Mission Hiring Hall, Inc.	118,738	119,000	262		262
Mission Language and Vocational School, Inc.	214,000	197,000	(17,000)		0
Mission Learning Center (Reading Clinic)	106,575	106,500	(75)		0
Mission Neighborhood Centers	40,000	40,000	0		0
New Leaf Services	55,000	55,000	0		0
Nihonmachi Legal Outreach	92,640	93,000	360		360
Northern California Coalition for Immigrant Rights (Mujeres)	50,000	50,000	0		0
Northern California Service League	68,000	68,000	0		0
Positive Resource Center	30,000	30,000	0		0
Renaissance Parents of Success	133,489	125,000	(8,489)		0
Samoan Community Development Center, Inc.	75,000	75,000	0		0
Self-Help for the Elderly	50,380	50,500	120		120
Self-Help for the Elderly	30,000	30,000	0		0
SF Child Abuse Prevention Center	32,500	32,500	0		0
South West Community Center	50,000	50,000	0		0
St. John's Educational Thresholds Center	25,200	25,500	300		300
St. Vincent de Paul Society of SF	45,000	45,000	0		0
Swords to Plowshares	40,000	40,000	0		0
Tenderloin Housing Clinic, Inc.	87,450	87,500	50		50
Tides Center/St. Peter's Housing Committee	31,571	32,000	429		429
Tides Center/The Housing Rights Committee	47,000	47,000	0		0
Toolworks	46,770	47,000	230		230
Visitacion Valley JET	100,000	100,000	0		0
West Bay Pilipino Multi-Service Corp.	50,000	50,000	0		0
Whitney Young Child Development Center	77,160	77,500	340		340
Young Community Developers	75,000	75,000	0		0
Asian Pacific American Community Center	0	50,000	50,000		50,000
Juma Ventures	0	25,000	25,000		25,000
Queer Youth Training Collaborative	0	40,000	40,000		40,000
Sunset District Community Development Corp	0	42,000	42,000		42,000
Vietnamese Elderly Mutual Asst Assn	0	35,000	35,000		35,000
Veterans Equity Center	0	35,000	35,000		35,000

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
Asian Pacific American Community Center	0	0	0		0
Horizons Unlimited of SF		0	0		0
Hunters Point Educational Group	0	0	0		0
Korean American Women Artists & Writers	0	0	0		0
Larkin Street Youth Center	0	0	0		0
North Beach Citizens	0	0	0		0
Northern California Council for the Community	0	0	0		0
Potrero Hill Neighborhood House	0	0	0		0
SF Friends of the Urban Forest	0	0	0		0
Sojourner Truth Foster Family Service Agency	0	0	0		0
Sojourner Truth Foster Family Service Agency	0	0	0		0
Bayview Hunters Point Foundation (Community Defender)	60,000	0	(60,000)		0
Chinese Newcomers Service Center	50,000	0	(50,000)		0
SF Educational Services	45,000	0	(45,000)		0
SF League of Urban Gardeners	33,000	0	(33,000)		0
Vietnamese Community Center	68,555	0	(68,555)		0
Youth For Service	10,000	0	(10,000)		0
	$4,986,637	$4,903,000	($83,637)		$311,541
IX. Economic Development					
Arriba Juntos	$30,000	$30,000	$0		$0
Columbia Park Boys & Girls Club	30,000	30,000	0		0
CVE, Inc.	41,142	41,500	358		358
Juma Ventures	40,000	40,000	0		0
Juma Ventures	30,000	30,000	0		0
Mission Economic Development Association	266,734	267,000	266		266
Northeast Community Federal Credit Union	50,000	75,000	25,000		25,000
Private Industry Council of San Francisco, Inc.	70,000	75,000	5,000		5,000
SF Black Chamber of Commerce	0	200,000	200,000		200,000
SF League of Urban Gardeners (SLUG)	130,000	130,000	0		0
South of Market Foundation	50,000	50,000	0		0
MOCD Economic Development Pool	100,000	100,000	0		0
Made by the Bay	0	0	0		0
TMC Development Working Solution	0	0	0		0
Mayor's Office of Economic Development	100,000	0	(100,000)		0
Urban Economic Development Corporation	211,300	0	(211,300)		0
	$1,149,176	$1,068,500	($80,676)		$230,624

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
X. Microenterprise Assistance					
CAHEED	$58,192	$58,500	$308		$308
Children's Council of SF	30,000	30,000	0		0
Positive Resource Center (AIDS Benefits Counselors)	85,000	85,000	0		0
SF Renaissance	228,500	228,500	0		0
Southeast Asian Community Center	100,100	100,500	400		400
Women's Initiative for Self Employment	125,000	125,000	0		0
Wu Yee Children's Services	84,000	84,000	0		0
SLUG/Bayview Safe Haven	0	0	0		0
	$710,792	$711,500	$708		$708
XI. Higher Education					
City College of SF Sm Bud Dvmpmt Ctr	$0	$65,000	$65,000		$65,000
	$0	$65,000	$65,000		$65,000
XII. Planning					
MOCD Planning & Capacity Building Pool	$201,113	$200,000	($1,113)		$0
MOH Planning & Capacity Building	50,000	100,000	50,000	Reserve $50,000	50,000
MOCD Consolidated Planning	96,498	103,263	6,765		6,765
MOCD Technical Assistance	0	175,000	175,000		175,000
Christmas in April	0	15,000	15,000		15,000
SF Bar Association/Volunteer Legal Services	0	12,000	12,000		12,000
Sojourner Truth Foster Family Service Agency	0	15,000	15,000		15,000
Juma Ventures	19,500	0	(19,500)		0
Kimochi, Inc.	10,000	0	(10,000)		0
Women's Initiative for Self Employment	21,450	0	(21,450)		0
Young Community Developers	15,000	0	(15,000)		0
California United Community Housing & Shoreview Env	0	0	0		0
Renaissance Entrepreneurship Center	0	0	0		0
Tenderloin AIDS Resource Center	0	0	0		0
Young Community Developers	0	0	0		0
Support Center for Nonprofit Management	100,000	0	(100,000)		0
African Immigrant and Refugee Resource Center	15,000	0	(15,000)		0
Booker T. Washington Community Service Center	15,000	0	(15,000)		0
Chinatown Alleyway Improvement Association	15,000	0	(15,000)		0

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
Chinese for Affirmative Action	20,000	0	(20,000)		0
Friends of St. Francis Childcare Center	10,000	0	(10,000)		0
Geneva Valley Development Corporation	20,000	0	(20,000)		0
Hearing Society for the Bay Area	15,000	0	(15,000)		0
Hearth Homes	12,000	0	(12,000)		0
Korean American Association of SF Bay Area	30,000	0	(30,000)		0
Lyon-Martin Women's Health Services	5,000	0	(5,000)		0
SF Conservation Corps	25,000	0	(25,000)		0
South of Market Child Care	15,000	0	(15,000)		0
Volunteer Center of SF	25,000	0	(25,000)		0
	$735,561	$620,263	($115,298)	Reserve $50,000	$273,765
XIII. Administration					
Controller (Audit/Indirect Costs) MOCD	$60,000	$60,000	$0		$0
Controller (Audit/Indirect Costs) MOH	60,000	60,000	0		0
MOCD Admin	2,418,436	2,531,177	112,741	Reserve $59,256	112,741
MOCD Enterprise Community Program	54,671	70,561	15,890		15,890
MOCD Environmental Review	15,000	15,000	0		0
MOCD Homeless	54,744	121,134	66,390		66,390
MOH Admin	1,101,038	1,167,409	66,371		66,371
MOH Affordable Housing Bonds	129,329	175,197	45,868		45,868
MOH Environmental Review	15,000	5,000	(10,000)		(10,000)
MOH Lead	185,241	190,834	5,593		5,593
MONS Disability Council	10,000	10,000	0		0
SF City Attorney's Office (MOCD)	25,000	25,000	0		0
SF City Attorney's Office (MOH)	25,000	25,000	0		0
SF Human Rights Commission (MOCD)	125,000	125,000	0		0
SF Human Rights Commission (MOH)	125,000	125,000	0		0
SF Planning Department (MOCD)	0	7,500	7,500		7,500
SF Planning Department (MOH)	0	7,500	7,500		7,500
	$4,403,459	$4,721,312	$317,853	Reserve $59,256	$317,853

Program or Recipient	FY 2000-2001 Budget	Proposed FY 2001-2002 Budget	Increase (Decrease) in FY 2001-2002 Budget from FY 2000-2001 Budget	Budget Analyst Recommendations	New or Expanded Programs
XIV. Program Income Funded Activity					
MOCD 108 Econ Devlpmt Loan Repayment	$2,478,275	$2,478,275	$0		$0
MOCD 108 Daycare Repayment	250,000	1,007,158	757,158		757,158
MOCD Small Business Loan Program	750,000	750,000	0		0
MOCD Microenterprise Loan Program	250,000	250,000	0		0
MOCD Capital Loan Program	1,189,000	5,000,000	3,811,000		3,811,000
MOH CHRP Revolving Loan Program	240,000	240,000	0		0
SF Conservation Corps	126,000	0	(126,000)		0
SF League of Urban Gardeners	35,000	0	(35,000)		0
SFRA Central Relocation Services	100,000	250,000	150,000		150,000
SFRA Economic Development	606,000	604,000	(2,000)		0
SFRA General Program Admin	612,000	362,000	(250,000)		0
SFRA Job Training	0	350,000	350,000		350,000
SFRA Low Income Housing	1,048,000	0	(1,048,000)		0
SFRA Planning India Basin	250,000	0	(250,000)		0
SFRA Planning Mid-Market	525,000	0	(525,000)		0
TOTAL Program Income	$8,459,275	$11,291,433	$2,832,158		$5,068,158
Total Housing Program Administration	$2,482,360	$2,541,084	$58,724		$58,724
Total Housing Program Pools	$5,406,701	$5,347,977	($58,724)		$0
Total Public Housing	$251,000	$205,560	($45,440)		$205,560
Total Public Facility Improvement	$1,666,214	$1,721,414	$55,200		$67,000
Total Rehab Existing Facility	$1,342,600	$1,423,520	$80,920		$1,233,520
Total Rehab New Facility	$650,500	$850,500	$200,000		$650,500
Total Other Rehabilitation Program Pools	$1,490,000	$3,192,370	$1,702,370	Reserve $466,370	$1,702,370
Total Public Services	$4,986,637	$4,903,000	($83,637)		$311,541
Total Economic Development	$1,149,176	$1,068,500	($80,676)		$230,624
Total Microenterprise Assistance	$710,792	$711,500	$708		$0
Total Higher Education	$0	$65,000	$65,000		$65,000
Total Planning	$735,561	$620,263	($115,298)	Reserve $50,000	$273,765
Total Administration	$4,403,459	$4,721,312	$317,853	Reserve $59,256	$317,853
TOTAL CDBG	$25,275,000	$27,372,000	$2,097,000		$5,116,457
TOTAL CDBG+Program Income	$33,734,275	$38,663,433	$4,929,158	$575,626	$9,932,615

MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

PAMELA H. DAVID
DIRECTOR

Memorandum

TO: Harvey Rose, Budget Analyst
Severin Campbell, Office of the Budget Analyst

FROM: Pam David, MOCD

DATE: April 18, 2001

RE: New Capital Improvement Revolving Loan Fund for Permanently Affordable Nonprofit Space

Background: The most promising avenues to end the continuing challenges in securing affordable non-profit office space are through the development of affordable leased office, program, and performance space (1) attached to, and developed in concert with, the City's affordable housing developments and/or (2) contained in new or expanded multi-tenant community centers. A key obstacle to implementing these approaches has been the lack of below-market financing for such endeavors.

We have been very successful developing childcare centers using the Section 108 Childcare Facility Fund, but need a new financing mechanism for other non-profit space.
Through a partnership with the Northern California Community Loan Fund, a new equity fund, the PANS Fund, is being established with an initial City investment of $2.5 million (the Yaki legislation). However, these funds are designed to meet a wide range of non-profit real estate needs and do not particularly target creating new space within affordable housing developments or multi-tenant facilities. In addition, while the equity funds will help lower the cost of developing new non-profit space, they will be more effective if leveraged with other sources of below-market financing.

Proposal: We are recommending in this year's program that $5 million of program income be reprogrammed to establish a new below-market Capital Projects Revolving Loan Fund (RLF). This RLF will parallel and be used primarily in conjunction with the City's affordable housing loan funds. Affordable housing developers and their non-profit partners would use this loan fund to develop the permanently affordable non-profit space portions of their housing developments. The non-profits could be a mix of service, educational, and cultural organizations that add value to the neighborhood.

The projects would be required to meet CDBG eligibility criteria (i.e., primarily benefiting lower income persons). In addition, some portion of space may also be reserved for eligible small

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businesses that come through our economic development assistance and loan programs (and, therefore, meet job creation criteria). Loan funds would only be available for capital costs—not for programmatic or operating costs.

The advantages of establishing such a loan fund include:

- Bundling the financing of the housing and non-profit components of the development will save time and money, simplifying the bidding and construction contracting, minimizing delays, and reducing transactional costs. MOH/MOCD will operate as a one-stop shop for these mixed-use developments.
- Leveraging of resources—this pool would leverage the PANS Equity Fund, all of the City's affordable housing pools, state and federal funding sources, CDBG capital grants, and conventional loans and grants.
- The revolving nature of the fund—loan repayment, even at affordable terms, will ensure long-term sustainability. Even below-market rent creates a sufficient revenue stream to ensure sustainability over the long haul.

We are anticipating flexible loan terms and conditions that would be negotiated to fit the specific gap-financing needs of each applicable project, as are done with affordable housing loans. The bottom line, though, is that project sponsors require below-market financing in order to deliver below-market rents. We think that this is an extraordinary opportunity to use one-time money to have a long-term impact on critical housing and community development needs.

If you have any further questions, please let me know.

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